

**HOUSE BILL No. 2501**

By Committee on Transportation

1-27

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1 AN ACT concerning motor vehicles; relating to nonhighway and salvage  
2 vehicles; allowing salvage vehicle pools *and salvage vehicle dealers* to  
3 apply to the division of vehicles for ownership documents; providing  
4 application and notice requirements; amending K.S.A. 2019 Supp. 8-  
5 198 and repealing the existing section.  
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2019 Supp. 8-198 is hereby amended to read as  
9 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required  
10 to be registered in this state, as provided in K.S.A. 8-135, and amendments  
11 thereto, but nothing in this section shall be construed as abrogating,  
12 limiting or otherwise affecting the provisions of K.S.A. 8-142, and  
13 amendments thereto, which make it unlawful for any person to operate or  
14 knowingly permit the operation in this state of a vehicle required to be  
15 registered in this state.

16 (b) Upon the sale or transfer of any nonhighway vehicle or salvage  
17 vehicle, the purchaser thereof shall obtain a nonhighway certificate of title  
18 or salvage title, whichever is applicable, in the following manner:

19 (1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401,  
20 and amendments thereto, and a certificate of title has not been issued for  
21 such vehicle under this section or under the provisions of K.S.A. 8-135,  
22 and amendments thereto, such transferor shall make application for and  
23 assign a nonhighway certificate of title or a salvage title, whichever is  
24 applicable, to the purchaser of such nonhighway vehicle or salvage vehicle  
25 in the same manner and under the same conditions prescribed by K.S.A. 8-  
26 135, and amendments thereto, for the application for and assignment of a  
27 certificate of title thereunder. Upon the assignment thereof, the purchaser  
28 shall make application for a new nonhighway certificate of title or salvage  
29 title, as provided in subsection (c) or (d).

30 (2) Except as provided in K.S.A. 8-199(b), and amendments thereto,  
31 if a certificate of title has been issued for any such vehicle under the  
32 provisions of K.S.A. 8-135, and amendments thereto, the owner of such  
33 nonhighway vehicle or salvage vehicle may surrender such certificate of  
34 title to the division of vehicles and make application to the division for a

1 nonhighway certificate of title or salvage title, whichever is applicable, or  
2 the owner may obtain from the county treasurer's office a form prescribed  
3 by the division of vehicles and, upon proper execution thereof, may assign  
4 the nonhighway certificate of title, salvage title or the regular certificate of  
5 title with such form attached to the purchaser of the nonhighway vehicle or  
6 salvage vehicle. Upon receipt of the nonhighway certificate of title,  
7 salvage title or the regular certificate of title with such form attached, the  
8 purchaser shall make application for a new nonhighway certificate of title  
9 or salvage title, whichever is applicable, as provided in subsection (c) or  
10 (d).

11 (3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-  
12 2401, and amendments thereto, and a certificate of title has not been issued  
13 for the vehicle under this section or a certificate of title was not required  
14 under K.S.A. 8-135, and amendments thereto, the transferor shall make  
15 application to the division for a nonhighway certificate of title or salvage  
16 title, whichever is applicable, as provided in this section, except that in  
17 addition thereto, the division shall require a bill of sale or such transferor's  
18 affidavit, with at least one other corroborating affidavit, that such  
19 transferor is the owner of such nonhighway vehicle or salvage vehicle. If  
20 the division is satisfied that the transferor is the owner, the division shall  
21 issue a nonhighway certificate of title or salvage title, whichever is  
22 applicable, for such vehicle, and the transferor shall assign the same to the  
23 purchaser, who shall make application for a new nonhighway certificate of  
24 title or salvage title, whichever is applicable, as provided in subsection (c)  
25 or (d).

26 (c) Every purchaser of a nonhighway vehicle, whether assigned a  
27 nonhighway certificate of title or a regular certificate of title with the form  
28 specified in subsection (b)(2) attached, shall make application to the  
29 county treasurer of the county ~~in which~~ *where* such person resides for a  
30 new nonhighway certificate of title in the same manner and under the same  
31 conditions as for an application for a certificate of title under K.S.A. 8-  
32 135, and amendments thereto. Such application shall be in the form  
33 prescribed by the director of vehicles and shall contain substantially the  
34 same provisions as required for an application under K.S.A. 8-135(c)(1),  
35 and amendments thereto. In addition, such application shall provide a  
36 place for the applicant to certify that the vehicle for which the application  
37 for a nonhighway certificate of title is made is a nonhighway vehicle and  
38 other provisions the director deems necessary. Each application for a  
39 nonhighway certificate of title shall be accompanied by a fee of \$10, and if  
40 the application is not made to the county treasurer within the time  
41 prescribed by K.S.A. 8-135, and amendments thereto, for making  
42 application for a certificate of title thereunder, an additional fee of \$2.

43 (d) (1) Except as otherwise provided by this section, the owner of a

1 vehicle that meets the definition of a salvage vehicle shall apply for a  
2 salvage title before the ownership of the motor vehicle or travel trailer is  
3 transferred. In no event shall such application be made more than 60 days  
4 after the vehicle is determined to be a salvage vehicle.

5 (2) Every insurance company, ~~which~~ *that*, pursuant to a damage  
6 settlement, acquires ownership of a vehicle that has incurred damage  
7 requiring the vehicle to be designated a salvage vehicle, shall apply for a  
8 salvage title within 60 days after the title is assigned and delivered by the  
9 owner to the insurance company, with all liens released. In the event that  
10 an insurance company is unable to obtain voluntary assignment of the title  
11 after 30 days from the date the vehicle owner enters into an oral or written  
12 damage settlement agreement where the owner agrees to transfer the title,  
13 the insurance company may submit an application on a form prescribed by  
14 the division for a salvage title. The form shall be accompanied by an  
15 affidavit from the insurance company stating that: (A) The insurance  
16 company is unable to obtain a transfer of the title from the owner  
17 following an oral or written acceptance of an offer of damage settlement;  
18 (B) there is evidence of the damage settlement; (C) that there are no  
19 existing liens on the vehicle or all liens on the vehicle have been released;  
20 (D) the insurance company has physical possession of the vehicle; and (E)  
21 the insurance company has provided the owner, at the owner's last known  
22 address, 30 days' prior notice of such intent to transfer and the owner has  
23 not delivered a written objection to the insurance company.

24 (3) Every insurance company ~~which~~ *that* makes a damage settlement  
25 for a vehicle that has incurred damage requiring such vehicle to be  
26 designated a salvage vehicle, but does not acquire ownership of the  
27 vehicle, shall notify the vehicle owner of the owner's obligation to apply  
28 for a salvage title for the motor vehicle or travel trailer, and shall notify the  
29 division of this fact in accordance with procedures established by the  
30 division. The vehicle owner shall apply for a salvage title within 60 days  
31 after being notified by the insurance company.

32 (4) The lessee of any vehicle ~~which~~ *that* incurs damage requiring the  
33 vehicle to be designated a salvage vehicle shall notify the lessor of this fact  
34 within 30 days of the determination that the vehicle is a salvage vehicle.

35 (5) The lessor of any motor vehicle or travel trailer ~~which~~ *that* has  
36 incurred damage requiring the vehicle to be titled as a salvage vehicle,  
37 shall apply for a salvage title within 60 days after being notified of this  
38 fact by the lessee.

39 (6) Every person acquiring ownership of a motor vehicle or travel  
40 trailer that meets the definition of a salvage vehicle, for which a salvage  
41 title has not been issued, shall apply for the required document prior to any  
42 further transfer of such vehicle, but in no event, more than 60 days after  
43 ownership is acquired.

1 (7) Every purchaser of a salvage vehicle, whether assigned a salvage  
2 title or a regular certificate of title with the form specified in subsection (b)  
3 (2) attached, shall make application to the county treasurer of the county ~~in~~  
4 ~~which~~ *where* such person resides for a new salvage title, in the same  
5 manner and under the same condition as for an application for a certificate  
6 of title under K.S.A. 8-135, and amendments thereto. Such application  
7 shall be in the form prescribed by the director of vehicles and shall contain  
8 substantially the same provisions as required for an application under  
9 K.S.A. 8-135(c)(1), and amendments thereto. In addition, such application  
10 shall provide a place for the applicant to certify that the vehicle for which  
11 the application for salvage title is made is a salvage vehicle, and other  
12 provisions the director deems necessary. Each application for a salvage  
13 title shall be accompanied by a fee of \$10 and if the application is not  
14 made to the county treasurer within the time prescribed by K.S.A. 8-135,  
15 and amendments thereto, for making application for a certificate of title  
16 thereunder, an additional fee of \$2.

17 (8) Failure to apply for a salvage title as provided by this subsection  
18 shall be a class C nonperson misdemeanor.

19 (e) A nonhighway certificate of title or salvage title shall be in form  
20 and color as prescribed by the director of vehicles. A nonhighway  
21 certificate of title or salvage title shall indicate clearly and distinctly on its  
22 face that it is issued for a nonhighway vehicle or salvage vehicle,  
23 whichever is applicable. A nonhighway certificate of title or salvage title  
24 shall contain substantially the same information as required on a certificate  
25 of title issued under K.S.A. 8-135, and amendments thereto, and other  
26 information the director deems necessary.

27 (f) (1) A nonhighway certificate of title or salvage title may be  
28 transferred in the same manner and under the same conditions as  
29 prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a  
30 certificate of title, except as otherwise provided in this section. A  
31 nonhighway certificate of title or salvage title may be assigned and  
32 transferred only while the vehicle remains a nonhighway vehicle or  
33 salvage vehicle.

34 (2) Upon transfer or sale of a nonhighway vehicle in a condition  
35 ~~which~~ *that* will allow the registration of such vehicle, the owner shall  
36 assign the nonhighway certificate of title to the purchaser, and the  
37 purchaser shall obtain a certificate of title and register such vehicle as  
38 provided in K.S.A. 8-135, and amendments thereto. No regular certificate  
39 of title shall be issued for a vehicle for which there has been issued a  
40 nonhighway certificate of title until there has been compliance with K.S.A.  
41 8-116a, and amendments thereto.

42 (3) (A) Upon transfer or sale of a salvage vehicle ~~which~~ *that* has been  
43 rebuilt or restored or is otherwise in a condition ~~which~~ *that* will allow the

1 registration of such vehicle, the owner shall assign the salvage title to the  
2 purchaser, and the purchaser shall obtain a rebuilt salvage title and register  
3 such vehicle as provided in K.S.A. 8-135, and amendments thereto. No  
4 rebuilt salvage title shall be issued for a vehicle for which there has been  
5 issued a salvage title until there has been compliance with K.S.A. 8-116a,  
6 and amendments thereto, and the notice required in subsection (f)(3)(B)  
7 has been attached to such vehicle.

8 (B) As part of the inspection for a rebuilt salvage title conducted  
9 under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol  
10 shall attach a notice affixed to the left door frame of the rebuilt salvage  
11 vehicle indicating the vehicle identification number of such vehicle and  
12 that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed  
13 under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be  
14 collected from the owner of such vehicle requesting the inspection for the  
15 notice required under this paragraph. All moneys received under this  
16 paragraph shall be remitted in accordance with K.S.A. 8-116a(e), and  
17 amendments thereto.

18 (C) Failure to apply for a rebuilt salvage title as provided by this  
19 paragraph shall be a class C nonperson misdemeanor.

20 (g) The owner of a salvage vehicle ~~which~~ that has been issued a  
21 salvage title and has been assembled, reconstructed, reconstituted or  
22 restored or otherwise placed in an operable condition may make  
23 application to the county treasurer for a permit to operate such vehicle on  
24 the highways of this state over the most direct route from the place such  
25 salvage vehicle is located to a specified location named on the permit and  
26 to return to the original location. No such permit shall be issued for any  
27 vehicle unless the owner has motor vehicle liability insurance coverage or  
28 an approved self-insurance plan under K.S.A. 40-3104, and amendments  
29 thereto. Such permit shall be on a form furnished by the director of  
30 vehicles and shall state the date the vehicle is to be taken to the other  
31 location, the name of the insurer, as defined in K.S.A. 40-3103, and  
32 amendments thereto, and the policy number or a statement that the vehicle  
33 is included in a self-insurance plan approved by the commissioner of  
34 insurance, a statement attesting to the correctness of the information  
35 concerning financial security, the vehicle identification number and a  
36 description of the vehicle. Such permit shall be signed by the owner of the  
37 vehicle. The permit shall be carried in the vehicle for which it is issued and  
38 shall be displayed so that it is visible from the rear of the vehicle. The fee  
39 for such permit shall be \$1 ~~which~~ and shall be retained by the county  
40 treasurer, who shall annually forward 25% of all such fees collected to the  
41 division of vehicles to reimburse the division for administrative expenses,  
42 and shall deposit the remainder in a special fund for expenses of issuing  
43 such permits.

1 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway  
2 certificate of title or salvage title has been issued pursuant to this section  
3 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101-~~to~~  
4 *through* 40-3121, ~~inclusive~~, and amendments thereto, except when such  
5 vehicle is being operated pursuant to subsection (g). Any person who  
6 knowingly makes a false statement concerning financial security in  
7 obtaining a permit pursuant to subsection (g), or who fails to obtain a  
8 permit when required by law to do so is guilty of a class C misdemeanor.

9 (i) Any person who, on July 1, 1996, is the owner of an all-terrain  
10 vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall not be  
11 required to file an application for a nonhighway certificate of title under  
12 the provisions of this section for such all-terrain vehicle, unless the person  
13 transfers an interest in such all-terrain vehicle.

14 (j) Any person who, on July 1, 2006, is the owner of a work-site  
15 utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall  
16 not be required to file an application for a nonhighway certificate of title  
17 under the provisions of this section for such work-site utility vehicle,  
18 unless the person transfers an interest in such work-site utility vehicle.

19 (k) (1) *A salvage vehicle pool, ~~as defined in~~ or a salvage vehicle*  
20 *dealer, as both are defined and licensed to operate in this state pursuant*  
21 *to K.S.A. 8-2401 et seq., and amendments thereto, may apply for an*  
22 *ownership document with the division of vehicles without forwarding the*  
23 *statement of origin or certificate of title to the division for a vehicle that is*  
24 *the subject of an insurance claim when:*

25 (A) *At the request of an insurance company, the salvage vehicle pool*  
26 *or salvage vehicle dealer obtains possession of the vehicle;*

27 (B) *the insurance claim for the vehicle has ~~not~~ been ~~paid~~ closed*  
28 *without payment or denied by the insurance company; and*

29 (C) *the vehicle has ~~been abandoned~~ remained unclaimed at the*  
30 *salvage vehicle pool's or salvage vehicle dealer's facility for more than 30*  
31 *days.*

32 (2) *An application made pursuant to this ~~paragraph~~ subsection shall*  
33 *provide sufficient evidence that at least two written notices were delivered*  
34 *by certified mail to the address provided by the division of vehicles'*  
35 *ownership verification, or through another courier service that provides*  
36 *proof of delivery, to the owner of the vehicle ~~or~~ and any lienholder of the*  
37 *vehicle identified in the division of vehicles' records requesting that the*  
38 *vehicle be removed from the salvage vehicle pool's or salvage vehicle*  
39 *dealer's facility. A salvage vehicle dealer shall also provide sufficient*  
40 *evidence to the division of the request by the insurance company to*  
41 *obtain possession of the vehicle. Such written notice shall specify that the*  
42 *owner of the vehicle ~~or~~ and any lienholder of the vehicle identified in the*  
43 *division of vehicles' records has at least 30 days from the receipt of the*

1 *notice to remove the vehicle. If the salvage vehicle pool or salvage vehicle*  
2 *dealer does not receive proof of delivery for the notices, the salvage*  
3 *vehicle pool or salvage vehicle dealer shall cause notice of the application*  
4 *for an ownership document to be published in a newspaper of general*  
5 *circulation in the county where the vehicle is located.*

6 (3) *If the most recent ownership document for the vehicle was not*  
7 *issued by this state, the application shall also include evidence of an*  
8 *inspection of the vehicle completed by the Kansas highway patrol*  
9 *pursuant to K.S.A. 8-116a, and amendments thereto. The application shall*  
10 *also indicate whether a certificate of title, a salvage title or a*  
11 *nonrepairable vehicle certificate shall be issued for the vehicle.*

12 (4) *Upon receipt of the application and all information required by*  
13 *this ~~paragraph~~ subsection, the division shall issue to the salvage vehicle*  
14 *pool a certificate of title, a salvage title or a nonrepairable vehicle*  
15 *certificate free and clear of all liens, security interests and encumbrances.*

16 Sec. 2. K.S.A. 2019 Supp. 8-198 is hereby repealed.

17 Sec. 3. This act shall take effect and be in force from and after its  
18 publication in the statute book.