**Memorandum**

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| **Identifying Information:** | **House Bill 2745 New Salvage Legislation** |

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| **Tax Type:** | **Vehicles** |
| **Brief Description:** | **House Bill 2745 New Salvage Legislation** |
| **Keywords:** |  |
| **Approval Date:** | **06/23/2004** |

**Body:**

**DEPARTMENT OF REVENUE**

**DIVISION OF VEHICLES**

**MEMORANDUM**

**TO: County Treasurers and T&R Staff**

**FROM: Ray Wilk, Title Manager**

**DATE: June 23, 2004**

**SUBJECT: HB 2745 New Salvage Legislation**

The 2004 Legislature passed and Governor Sebelius signed HB 2745, amending the current salvage law. The statutes amended by this law are 8-197 and 8-198 (see an enrolled copy of the bill for details).

**Changes Resulting from the Bill**
New definitions of what is a salvage vehicle;
Requires that a vehicle meeting the definition of a salvage vehicle and assigned to an insurance company be titled as a salvage vehicle within 30 days;
Requires insurance companies to notify the owner retaining a salvage vehicle of the owner’s obligation to apply for a salvage title within 30 days of the notice;
Requires insurance companies making a damage settlement to notify the division when a vehicle meets the definition of a salvage vehicle and the owner is retaining a vehicle;
Requires the division to reflect salvage status so that only a salvage title can be issued thereafter;
Makes it a C non-person misdemeanor for failure to apply for a salvage title as required by this law.
Requires the Kansas Highway Patrol to affix a notice to a vehicle indicating it is a rebuilt salvage vehicle.
Makes it a class A non-person misdemeanor to remove, obliterate or alter the rebuilt salvage notice affixed by the Kansas Highway Patrol.

**Consequences of this Bill**

One item not addressed by this bill is when a vehicle moves past the salvage definition and becomes a non-repairable. The definition of a non-repairable vehicle was not amended by this bill, so the current practice still applies. One thing is clear, for late model vehicles, the total cost of repairs will be greater than 75% of the pre-accident value.

Vehicles declared a total loss, meeting the definition of a salvage vehicle, must now be titled as such. If the vehicle is not so titled, the owner will not be able to renew the registration and if sold, the new owner will be issued a salvage title.

**Changes in Forms and Processing**

There will be no changes in our current processes or procedures. Insurance companies applying for salvage titles will submit their applications and TR-13 forms in same manner as always. However, the counties and the division reserve the right to request additional documentation at any time to ensure the proper formula is being employed to calculate the percent of repair cost and vehicle value.

An owner who retains a salvage vehicle and fails to apply for a salvage title will receive correspondence advising them their title is being branded as a salvage and the vehicle cannot be operated. The customer must retain their tag until the salvage title is issued and they obtain a rebuilt salvage inspection by the Kansas Highway Patrol. Upon application for their rebuilt salvage title, the tag may be transferred back onto the vehicle.

If the customer’s title is an e-title, they may apply for their salvage title using their registration receipt, in lieu of the title, along with a TR-13. Similarly, they may apply for their rebuilt salvage title in the same manner along with their MVE-1 inspection form.

This bill becomes effective July 1, 2004. If you have any questions, please contact Ray Wilk, Peggy Stalcup or Matt Moser at the Titles and Registrations Bureau at (785)296-2242.

Cc: Carmen Alldritt

04-047

**Date Composed: 06/28/2004 Date Modified: 06/28/2004**

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