

**8-1,115. Same; apportioned registration fee payable in quarterly installments; conditions; delinquent payments, unlawful to operate; penalty, when; lien; collection of delinquent payment, procedure; seizure and sale of property.** (a) An owner of a fleet, the vehicles of which are based in Kansas, and which is eligible for registration under the provisions of this act, or any apportioned fleet registration agreement, reciprocity agreement, arrangement, consent, or declaration made by the director of vehicles, may elect, at the time such owner's annual apportioned fleet registration fee is payable, to pay such annual apportioned fleet registration fee in equal quarterly installments, the first of which shall be due and payable at the time of such application, but not later than March 1 in each year, and each ensuing quarter thereafter shall be due and payable respectively on the first day of April, July and October. No owner shall be eligible for payment of apportioned fleet registration fees in quarterly installments unless the annual apportioned fleet registration fee for such owner's fleet exceeds \$300. The election to pay annual apportioned fleet registration fees in quarterly installments shall not be construed so as to relieve any owner of the liability for payment of the entire amount of fees which would otherwise be due for the full registration year.

(b) If a fleet owner fails to pay any quarterly installment on or before the date the same is due and payable, the right to operate the fleet vehicles registered under the provisions of this act on the highways of this state shall terminate, and it shall be unlawful to operate such fleet vehicles on the highways of this state until the delinquent quarterly installment payment, including any penalty, shall have been paid in full.

(c) If a quarterly installment shall be delinquent more than 10 days beyond the due date of such installment, except for any case where it is determined by the director of vehicles that such delinquency is not due to negligence or intentional disregard of the provisions of this section, the entire balance of the annual apportioned registration fee remaining, including the delinquent quarterly installment, plus a penalty in a sum equal to 10% of the annual apportioned fleet registration fee shall be due and payable. Any such fleet owner so delinquent may be denied the privilege of paying the annual apportioned fleet registration fee for ensuing registration years on a quarterly basis. All such apportioned registration fees and penalties remaining unpaid shall constitute a debt due the state, which may be collected from the person owing the same by suit or otherwise. All such apportioned fleet registration fees remaining unpaid after the same are due and payable, and any penalty thereon shall constitute a first and prior lien in favor of the state upon the vehicles of a fleet registered hereunder and all other real and personal property of the fleet owner located within the state in the amount that such fees and penalty remain unpaid. Such lien shall attach at the time such unpaid fees and penalty accrue, and shall be paramount to all prior liens or encumbrances of any character, and to the rights of any holder of the legal title in or to any such fleet vehicles.

(d) When an installment payment has been delinquent more than 10 days, the division of vehicles shall forthwith file a notice of lien in the office of the register of deeds of the county where the principal place of business of such fleet owner is located, or any county where the vehicles of such fleet are based, or any other county in which such owner has any property. A copy of such notice of lien shall be mailed to the delinquent fleet owner. The notice of lien shall set forth the name and address of the fleet owner, the amount of the apportioned fleet registration fee and penalty payable and unpaid, and a description of the fleet vehicles to which applicable. It shall be the duty of each register of deeds in this state to index and file immediately all such notices of lien in the manner provided in the cases of financing statements, and no fee shall be charged for filing and indexing. The division of vehicles shall issue a release of lien upon payment of the apportioned fleet registration fee and penalty payable by such fleet owner, and such person may file the same with the register of deeds of any county in which such notice of lien has been filed, and no fee shall be charged for the release of lien.

Upon filing the notice of lien, the division of vehicles shall issue a tax warrant to the sheriff of any county in which the notice of lien has been filed and may issue further warrants as may be necessary, and such sheriff shall seize and hold all personal property subject thereto and proceed to advertise and sell the same or so much thereof as may be necessary, to satisfy the state's lien, together with all expenses of selling at public sale for cash, upon such notice as is provided by law in the case of a security agreement sale. Any surplus of the proceeds of such sale, after paying to the division of vehicles the amount of the state's lien, the officer's cost of giving notice of and executing said warrant computed to the same extent as in judicial sales on execution, and the cost of securing and preserving the property pending such sale, shall be delivered to the person lawfully entitled thereto.

**History:** L. 1978, ch. 30, § 21; L. 1994, ch. 76, § 16; April 7.