

8-2603. License required; application; requirements; bonding. (a) No vehicle title service agent shall engage in business in this state without obtaining a license as required by this act.

(b) An application for a license shall be made to the director and shall contain the information provided for by this section, together with such other information as may be deemed reasonable and pertinent, and shall be accompanied by the required fee. The application shall contain the name of the applicant, the address where business is to be conducted, the resident's address, if the applicant is an individual, the names and resident addresses of the partners of the applicant, if a partnership, the names and resident addresses of the principal officers of the applicant and the state of its incorporation, if a corporation. Every application under this section shall be verified by the applicant.

(c) All licenses shall be granted or refused within 30 days after the application is received by the director. If the division issues a license to an applicant, the applicant shall be authorized to engage in the business only at the address specified in the application. All licenses shall expire, unless previously suspended or revoked, on December 31 of the calendar year for which they are granted. Applications for renewals received by the director after February 15 shall be considered as new applications. The license fees for each calendar year, or any part thereof, shall be \$75.

(d) A vehicle title service agent license is only valid to the person to which it is issued and cannot be transferred. Any purchaser or transferee of a vehicle title service agency must make application for a new vehicle title service license as provided by this act.

(e) The applicant or licensee shall furnish and maintain a bond in the amount of \$25,000, in such form and with such sureties as the director approves, conditioned upon the applicant or licensee complying with all the requirements for the lawful obtaining or receiving of certificates of title for vehicles and as indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for suspension or revocation of such person's license. Every bond shall be a corporate surety bond issued by a company authorized to do business in the state of Kansas and shall be executed in the name of the state of Kansas for the benefit of any aggrieved retail or wholesale buyer or seller of a vehicle. The aggregate liability of the surety for all breaches of the conditions of the bond in no event shall exceed the amount of such bond. The surety on the bond shall have the right to cancel the bond by giving 30 days' notice to the director, and thereafter the surety shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. Upon determination by the director that a judgment from a Kansas court of competent jurisdiction is a final judgment and that the judgment resulted from an act in violation of this act or would constitute grounds for suspension, revocation, refusal to renew a license or administrative fine pursuant to K.S.A. 2014 Supp. 8-2606, and amendments thereto, the proceeds of the bond on deposit or in lieu of bond provided by subsection (f), shall be paid. The determination by the director under this subsection is hereby specifically exempted from the Kansas administrative procedure act (K.S.A. 77-501 through 77-549, and amendments thereto,) and the Kansas judicial review act (K.S.A. 77-601 through 77-627, and amendments thereto). Any proceeding to enforce payment against a surety following a determination by the director shall be prosecuted by the judgment creditor named in the final judgment sought to be enforced. Upon a finding by the court in such enforcement proceeding that a surety has wrongfully failed or refused to pay, the court shall award reasonable attorney fees to the judgment creditor.

(f) An applicant or licensee may elect to satisfy the bonding requirements of subsection (e) by depositing with the state treasurer cash, negotiable bonds of the United States or of the state of Kansas or negotiable certificates of deposit of any bank organized under the laws of the United States or of the state of Kansas. The amount of cash, negotiable bonds of the United States or of the state of Kansas or negotiable certificates of deposit of any bank organized under the laws of the United States or of the state of Kansas deposited with the state treasurer shall be in an amount of \$25,000. When negotiable bonds or negotiable certificates of deposit have been deposited with the state treasurer to satisfy the bonding requirements of subsection (e), such negotiable bonds or negotiable certificates of deposit shall remain on deposit with the state treasurer for a period of not less than two years after the date of delivery of the certificate of title to the vehicle which was the subject of the last transaction in which the licensee engaged prior to termination of the licensee's license. In the event a licensee elects to deposit a surety bond in lieu of the negotiable bonds or negotiable certificates of deposit previously deposited with the state treasurer, the state treasurer shall not release the negotiable bonds or negotiable certificates of deposits until at least two years after the date of delivery of the certificate of title to the vehicle which was the subject of the last transaction in which the licensee engaged prior to the date of the deposit of the surety bond. The cash deposit or market value of any such securities shall be equal to or greater than the amount of the bond required for the bonded area and any interest on those funds shall accrue to the benefit of the depositor.

History: L. 2006, ch. 51, § 3; L. 2010, ch. 17, § 22; July 1.