

February 3, 2020

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581B-W
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2501 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2501 is respectfully submitted to your committee.

HB 2501 would allow a salvage vehicle pool to apply for an ownership document with the Division of Vehicles without forwarding the statement of origin or certificate of title to the Division for a vehicle that is the subject of an insurance claim when:

1. At the request of an insurance company, the salvage vehicle pool obtains possession of the vehicle;
2. The insurance claim for the vehicle has not been paid by the insurance company; and
3. The vehicle has been abandoned at the salvage vehicle pool's facility for more than 30 days.

An application would provide evidence that at least two written notices were delivered by certified mail, or through another courier service that provides proof of delivery, to the owner of the vehicle or any lienholder of the vehicle requesting that the vehicle be removed from the salvage vehicle pool's facility. The written notice would specify that the owner of the vehicle or any lienholder of the vehicle has at least 30 days from the receipt of the notice to remove the vehicle. If the salvage vehicle pool does not receive proof of delivery for the notices, the salvage vehicle pool would place notice of the application for an ownership agreement to be published in a newspaper in the county where the vehicle is located.

If the most recent ownership document for the vehicle was not issued by the State of Kansas, the application would also include evidence of a vehicle inspection by the Kansas Highway Patrol. The application would also indicate whether a certificate of title, a salvage title, or a nonrepairable vehicle certificate shall be issued for the vehicle.

Upon receipt of the application and all information required, the Division of Vehicles would issue to the salvage vehicle pool a certificate of title, a salvage title, or a nonrepairable vehicle certificate free and clear of all liens, security interests, and encumbrances.

The Department of Revenue estimates additional State General Fund expenditures of \$8,313 in FY 2021 if the bill is enacted. The additional expenditures would be for changes to the agency's information technology equipment and systems to comply with the requirements of the bill. Any fiscal effect associated with HB 2501 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Ben Cleeves, Transportation
Lynn Robinson, Department of Revenue