**Memorandum**

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| **Identifying Information:** | **Overview of New Legislation and Implementation** |

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| **Tax Type:** | **Vehicles** |
| **Brief Description:** | **Overview of New Legislation and Implementation** |
| **Keywords:** |  |
| **Approval Date:** | **06/13/2004** |

**Body:**

**DEPARTMENT OF REVENUE**  
**DIVISION OF VEHICLES**  
  
  
**Memorandum**

**To: County Treasurers and T&R Staff**  
  
**From: Mathew Moser, Manager, Titles and Registrations**  
  
**Date: June 13, 2004**  
  
**Subject: Overview of New Legislation and Implementation**  
  
This memo will review all the new legislation passed in the 2004 session. Each bill effecting motor vehicle issues will be described and whether or not changes in policy and procedure are required. Separate memos for each bill requiring procedural changes will accompany this overall legislative review.  
  
**SB 147 Sales Tax Calculation on Isolated and Occasional Sales**  
Senate Bill 147 changes the method for determining sales tax on isolated and occasional sales. It states the base for computing sales tax shall be the stated selling price of the motor vehicle or the property tax value, whichever is higher. It also includes trailers. It further states that for a wrecked or damaged vehicle, the actual selling price shall be used as the base for computing the sales tax. This bill requires a procedural change, and a separate memo detailing how to process these transactions is being issued. SB 147 becomes effective July 1, 2004  
  
**HB 2375 Dealer Licensing Penalties**  
House Bill 2375 increases the administrative penalties for licensed vehicle dealer who fail to file or pay sales or withholding tax for three consecutive months. The new penalty **requires**any dealer who is found to be delinquent or non-filed for the three consecutive month period to have their license suspended or revoked. This bill does not require any actions or changes in procedure by county employees. However, T&R and Dealer Licensing will continue to provide county treasurers with lists of dealers that are suspended or revoked. HB 2375 becomes effective July 1, 2004  
  
**HB 2545 Electronic Verification of Insurance**  
House Bill 2545 amends 8-173 regarding the acceptance of applications by the counties for registrations. The new law authorizes the insurance commissioner to **require** any insurance company doing business in this state, providing motor vehicle liability insurance, to verify proof of insurance either electronically or on-line. The insurance commissioner is taking the lead on the implementation of this bill, working in conjunction with the division on technical and procedural issues for the insurance companies. It is anticipated that upon full implementation, county treasurers will have the capability of verifying all insurance for renewal applications through the current on-line process. Follow-up memos from the insurance commissioner and the division will be forthcoming regarding the progress of implementation. No changes in current county policy and procedure are required. This bill became effective upon publication in the Kansas Register, however it may be several months before full implementation is completed.  
  
**HB 2563 Property Tax Exemptions for Military Personnel**  
House Bill 2563 amends the property tax exemption for active duty military members. The new exemption provision exempts no more than two motor vehicles which are owned by a resident individual in the full-time military service of the United States, and is mobilized and deployed on the date of the individuals application for registration. PVD will be issuing a detailed memo regarding the application of this exemption and all necessary changes in policy and procedure. No programming will be required for VIPS as the exemption already exists on the system. This bill became effective upon publication in the Kansas Register.  
  
**HB 2745 New Salvage Legislation**  
HB 2745 makes numerous amendments to the current salvage law. The statutes amended by this legislation are 8-197 and 8-198. The highlights of the changes are:  
· 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.  
A separate detailed memo addressing policy and procedures is being issued. This law takes effect July 1, 2004.  
  
**HB 2746 Export Certificates of Title**  
House Bill 2746 permits a first stage manufacturer to obtain a export certificate of title using an MSO, when the vehicle is to be exported from the United States to a foreign country. Any vehicle for which an export title is issued can never be registered anywhere in the United States. The title will be branded “EXPORT ONLY” and contain the verbiage “For Export Only Not For Re-Title and Registration In The United States.” A stop will automatically be placed on the vehicle record when an export title is issued. A new title type “F” will be created in VIPS for use when processing an export title. This bill takes effect July 1, 2004.  
  
**HB 2947 Distinctive License Plates**  
House Bill 2947 addresses several issues concerning distinctive license plates. The major changes are:  
· Requirement to submit up to a $10,000 non-refundable development fee for any distinctive license plate.  
· Requirement to discontinue issuance of distinctive license plates failing to maintain minimum levels of active registrations.  
· Authorizes the creation of two new distinctive plates, one for “Helping Schools,” and one for Firefighters.  
· Authorizes Veterans tags to display decals indicating their branch of service and decals for winners of the bronze and silver star medals.  
A separate detailed memo addressing policy and procedural changes will be issued. This law takes effect July 1, 2004.  
  
**HB 2949 Possessory and Abandoned Vehicle Lien Verification**  
House Bill 2949 addresses the time requirements for verification and notice on Possessory and Abandoned vehicle liens. The changes are:  
· Must obtain a verification in no more than 30 days from the time the vehicle came into possession.  
· Must send the notice by certified mail within 10 days of receipt of the verification.  
· Eliminates wrecker and tow services ability to sell vehicles and personal property valued at less than $1,000 anytime.  
· Changes the notice publication requirements for wrecker and tow services to include city or county publications.  
The TR-85, Possessory Lien Affidavit will be modified to reflect these changes. A detailed memo will be released addressing policy and procedural changes.  
  
If you have questions concerning any new legislation or requirements, please call Mathew Moser, Peggy Stalcup or Ray Wilk for assistance at (785) 296-2242. Thank you for your assistance and support.  
  
  
cc: Carmen Alldritt, Director of Vehicles  
  
04-046  
  
  
  
**Date Composed: 06/28/2004 Date Modified: 06/28/2004**