

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2147**

As Agreed to April 4, 2023

**Brief\***

HB 2147 would create and amend law to change procedures regarding purchase of a vehicle that had been towed. It also would amend the Uniform Act Regulating Traffic on Highways to add law to prohibit counterfeit airbags and to amend law to authorize certain ground effect lighting on vehicles.

***Selling an Abandoned or Towed Vehicle***

The bill would create law to require a public agency or towing or wrecking service lawfully selling an abandoned or towed motor vehicle to provide a certification to the purchaser that statutory recovery, storage, notification, and verification requirements associated with abandoned or towed vehicles have been satisfied, and that vehicle identification number inspection requirements have been met, beginning January 1, 2024.

The certification of compliance would allow the purchaser of such a vehicle to apply for and receive a certificate of title free and clear of liens, security interests, and encumbrances.

The bill would require the certification to be completed on a form and in a manner approved by the Secretary of Revenue or the Secretary's designee, and would be subject to a fee of \$20 to be paid by the public agency or towing or wrecking service, to be retained by the county treasurer, Division of Vehicles of the Department of Revenue, or contractor that processes the certification of compliance form. The bill would specify the fee could be passed on to a purchaser or the vehicle's original owner upon reclamation.

The bill would amend statutes regarding sale of a vehicle that has been abandoned or towed to require a notice to the owner or lienholder of a towed vehicle to be mailed within 15 calendar days, rather than 10 days, after receipt of verification of the last owner and any lienholders.

The bill would also make conforming amendments to continuing law.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kIRD>

## **Counterfeit Airbags**

The bill would create the crime of knowingly or intentionally manufacturing, importing, distributing, selling, offering for sale, installing, or reinstalling a device intended to replace a supplemental restraint system component in a vehicle if the device is counterfeit, a nonfunctional airbag, or an object not designed in accordance with federal safety regulations for the make, model, and year of the vehicle.

Violation would be a class A nonperson misdemeanor.

The bill would define four terms:

- “Airbag,” to mean an inflatable occupant restraint system device that is part of a supplemental restraint system in a vehicle;
- “Counterfeit supplemental restraint system component,” to mean a replacement component displaying a mark identical or substantially similar to the genuine mark of a motor vehicle manufacturer or parts supplier without authorization from that manufacturer or supplier;
- “Nonfunctional airbag,” to mean a replacement airbag that was previously deployed or damaged, has an electric fault that is detected by the vehicle’s diagnostic systems, includes a part or object installed in the vehicle to mislead the owner into believing that a functional airbag has been installed, or is an airbag prohibited by federal law; and
- “Supplemental restraint system,” to mean a passive inflatable vehicle occupant crash protection system designed for use in conjunction with active restraint systems (*i.e.*, seat belts) that includes each airbag, installed according to the vehicle manufacturer’s design, and all components required to ensure the airbag operates as designed and meeting federal safety standards.

The bill would add these provisions to the Uniform Act Regulating Traffic on Highways.

## **Ground Effect Lighting**

The bill would authorize equipping a motor vehicle with any type of ground effect lighting rather than only neon ground effect lighting, as authorized by current law. The bill would make conforming amendments to specify that no portion of the bulb or lighting fixture, rather than neon tubes, could be visible and would make conforming amendments to the definition of “ground effect lighting,” which is lighting that illuminates the ground below the vehicle.

## **Conference Committee Action**

The Conference Committee agreed to the provisions of HB 2147 as amended by the Senate with amendments to change the effective date to January 1, 2024, and publication in the statute book and, in two statutes, to require a notice to the owner or lienholder of a towed vehicle to be mailed within 15 calendar days, rather than 10 days, after receipt of verification of the last owner and any lienholders. The Conference Committee also agreed to add the contents

of SB 106 as amended by the House, regarding counterfeit airbags and vehicle ground effect lighting.

## **Background**

The Conference Committee report combines provisions of HB 2147 with amendments, SB 106, and SB 143, which the House Committee had added to SB 106.

### ***HB 2147 (Selling an Abandoned or Towed Vehicle)***

The bill was introduced by the House Committee on Transportation at the request of Representative Averkamp.

#### *House Committee on Transportation*

In the House Committee hearing, **proponent** testimony was provided by Representative Averkamp and by representatives of A & A Auto and Truck Parts, Denton Auto Salvage, and the Division of Vehicles, Kansas Department of Revenue. The proponents generally stated the bill would allow salvage vehicle dealers to more easily comply with federal requirements regarding titles for “end of life” vehicles and prevent additional costs and administrative burdens associated with the sale and disposal of abandoned or towed vehicles for which information required to obtain a title was not obtained correctly prior to their auction.

**Opponent** testimony was provided by a representative of the Kansas Motor Carriers Association, who stated the bill would shift the time, expense, and administrative burden from salvage dealers to the towing company or public agency providing towing service, and many of the vehicles that would be affected by the bill are not worth that effort and expense from the perspective of the towing and recovery service providers.

Written-only opponent testimony was provided by a representative of Sunflower Tow Service.

The House Committee amended the bill to provide for the certification of compliance procedures and remove provisions of the bill as introduced. It also amended the effective date to January 1, 2024. [*Note: The Conference Committee retained these amendments.*]

[*Note: The bill, as introduced, would have required parties towing and storing abandoned vehicles to have such vehicles titled prior to selling them.*]

#### *House Committee of the Whole*

The House Committee of the Whole amended the bill to specify the certification of compliance fee would be retained by the entity that processed the certification. [*Note: The Conference Committee retained this amendment.*]

### *Senate Committee on Transportation*

In the Senate Committee hearing, **proponent** testimony was provided by Representative Averkamp and by representatives of A & A Auto and Truck Parts, Denton Auto Salvage, and the Kansas Motor Carriers Association. The proponents described the situations the bill would address and the work to achieve compromise on its provisions. No other testimony was provided.

The Senate Committee amended the bill to change the effective date from January 1, 2024, and publication in the statute book to January 1, 2024, and publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

### **SB 106 (Counterfeit Airbags)**

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the Alliance for Automotive Innovation.

### *Senate Committee on Transportation*

In the Senate Committee hearing, a representative of American Honda Motor Company provided **proponent** testimony. Written-only proponent testimony was provided by representatives of the Alliance for Automotive Innovation, Automotive Anti-Counterfeiting Council, Coalition Against Insurance Fraud, and Kansas Automobile Dealers Association. Proponents generally stated counterfeit airbags pose significant safety risks to consumers.

No other testimony was provided.

The Senate Committee amended the bill to make it effective upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

### *House Committee on Transportation*

In the House Committee hearing, a representative of American Honda Motor Company provided **proponent** testimony. Written-only proponent testimony was provided by representatives of the Alliance for Automotive Innovation, Coalition Against insurance Fraud, Kansas Automobile Dealers Association, and National Insurance Crime Bureau. Proponents generally stated counterfeit airbags pose significant safety risks to consumers and are used to defraud consumers and insurance companies.

No other testimony was provided.

The House Committee amended the bill to add the contents of SB 143, a bill pertaining to vehicle ground effect lighting. [Note: The Conference Committee agreed to retain this amendment.]

### *SB 143 (Ground Effect Lighting)*

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the Johnson County Sheriff's Office.

#### *Senate Committee on Transportation*

In the Senate Committee hearing, a representative of the Johnson County Sheriff's Office provided **proponent** testimony. The conferee stated the technology used for these lights has changed, and the bill would make it clear that any ground effect lighting must follow statutory requirements.

No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

[*Note:* Continuing law states ground effect lighting may not flash or be any shade of red.]

#### *House Committee on Transportation*

In the House Committee hearing, a representative of the Johnson County Sheriff's Office provided **proponent** testimony. The conferee stated the technology used for these lights has changed, and the bill would make it clear that any ground effect lighting must follow statutory requirements.

No other testimony was provided.

### **Fiscal Information**

#### ***HB 2147 (Selling an Abandoned or Towed Vehicle)***

According to the fiscal note prepared by the Division of the Budget on HB 2147, as introduced, the bill would have no fiscal effect on the Department of Revenue.

A fiscal note on the amended bill was not available when the House Committee, the Senate Committee, or the Conference Committee took action on the bill.

#### ***SB 106 (Counterfeit Airbags)***

According to the fiscal note prepared by the Division of the Budget on SB 106, as introduced, the Office of Judicial Administration indicates enactment of the bill could increase the number of cases filed in district court because it would create a new crime, which would increase the workload of judicial and nonjudicial personnel and could require more supervision of offenders by court services officers. Enactment also could result in collection of supervision fees, docket fees, and fines. However, a fiscal effect cannot be determined because the number of additional cases cannot be estimated.

The Kansas Department of Transportation indicates enactment of the bill would increase revenues to the Traffic Records Enhancement Fund and the Seat Belt Safety Fund from fines collected, but any increase is expected to be negligible.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2024 Governor's Budget Report*.

***SB 143 (Ground Effect Lighting)***

According to the fiscal note prepared by the Division of the Budget on SB 143, the Department of Revenue indicates enactment of the bill would have no fiscal effect.

Motor vehicles; abandoned vehicles; towed vehicles; vehicle title; airbag; counterfeit; consumer protection; vehicle lights; ground effect lighting; uniform act regulating traffic on highways

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