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## **MEMORANDUM**

To: House Committee on Transportation

From: Office of Revisor of Statutes

Date: January 19, 2022

Subject: Bill Brief – HB 2294

HB 2294 requires a public agency or person providing wrecker or towing services to obtain a certificate of title before selling a motor vehicle that was abandoned and subsequently towed from a highway.

K.S.A. 8-1101 through 1105 and K.S.A. 8-1108 provide procedures to a towing service or public agency for when an abandoned vehicle shall be towed from a highway and how to dispose of that vehicle if it remains in the towing service or public agency's possession after 30 days. K.S.A. 8-1101 defines a public agency as the Department of Transportation, the Kansas Turnpike Authority or a county, city or township. Currently, K.S.A. 8-1102 provides that if a vehicle is abandoned on a highway for more than 48 hours or if the vehicle interferes with highway operations, then a public agency may remove and impound the vehicle. Similar procedures are provided in K.S.A. 8-1103 for wrecker or towing services that provide towing by request of the vehicle owner, a law enforcement officer or by a county resolution or city ordinance.

A public agency or towing service is required to then verify the last recorded owner or any lienholder with the Division of Vehicles within 30 days from the agency taking possession of the vehicle. If the vehicle is impounded with the agency for more than 30 days, then the vehicle can be disposed of after providing sufficient notice to the vehicle owner or any lienholders.

The notices required by K.S.A. 8-1102, 1103 and 1104 have a few different aspects to them. First, the public agency or towing service must send a certified mail notice to the owner and any lienholder that the vehicle is impounded with the agency or service. Such certified mail notice shall state that the vehicle will be sold at public auction within 15 days from the date of



the mailing of the notice, and the notice must be sent within 10 days of receiving the last owner or lienholders from the Division of Vehicles. After the 15 days have lapsed and if the owner has not claimed the vehicle and paid any associated costs for impounding the vehicle, the public agency or towing service is required to provide the same notice once a week in two consecutive weeks in a newspaper of general circulation in the county where the vehicle was abandoned stating that the vehicle will be sold at public auction if the owner does not claim the vehicle within 10 days of the second newspaper notice.

HB 2294 provides an additional step that is required by the public agency or towing service in that the public agency must obtain a certificate of title for the impounded vehicle prior to selling it at public auction. If the public agency provides evidence of the certified mail notice and newspaper notice, in addition to the other title requirements such as lien releases or vehicle inspections, to the Division of Vehicles, then the Division shall issue a certificate of title to the public agency. The vehicle can then be sold at public auction for cash and the title shall transfer to the new purchaser.

HB 2294 also includes a couple exemptions in the bill. First, the vehicle does not need to be registered when acquiring a title until after the vehicle is sold at public auction by the public agency or towing service. Additionally, public agencies and towing services are exempted from the vehicle dealers and manufacturers act if that agency or service sells more than five vehicles pursuant to these procedures.

This is a holdover bill from 2021 and a few of the statutes were amended, so more technical corrections will be needed in addition to passing the substantive portions of the bill.

If enacted, the provisions of HB 2294 become effective July 1, 2022.