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Statement of Brad Smoot
Legislative Counsel
Copart, Inc.
Senate Transportation Committee
Regarding 2021 SB 36
January 25, 2021

Mr. Chairman and Members:

On behalf of Copart, Inc., an international auto salvage pool operating in Kansas, we appreciate the opportunity to comment in support of SB 36. This bill will allow the Kansas Highway Patrol (KHP) to certify a limited number of salvage pool employees to do vehicle identification number (VIN) inspections, a function done primarily by the officers of the KHP. It will also speed up the process for obtaining salvage titles for salvage pools and salvage vehicle dealers. We believe to make this change will be a mutually beneficial and collaborative process for all.

Copart contacted the KHP in December of 2019 and met with officers in early January to discuss our first draft proposal. We ultimately came up with 2020 SB 374, which limited the bill to salvage pools as defined by Kansas law and was patterned after the authority the legislature has granted to new vehicle dealers. See Section 1(f). In addition, the bill gives the KHP complete control over the certification process, including who may be a certified inspector, how that certification may be withdrawn and what training will be required. The Patrol may adopt all necessary rules and regulations to implement the certification process.

The statutory fee (\$20/hour) currently required to be paid by the salvage pool will still go to the KHP even though the certifications under this bill will be done by Copart and IIA employees. We see no reason to disrupt the current flow of funds to the Patrol for this service as it will still need to train and certify our employees as inspectors.

Last year's SB 374 was amended by this committee to limit the inspection process to only salvage pools selling at least 2000 vehicles per year and who post a \$50,000 bond in order to perform KHP inspections. As amended, SB 374 passed the Senate 39 to 0 and set for hearing in the House on the day that the 2020 Session was ended due to COVID.

Meanwhile last year, the House Transportation Committee passed 2020 HB 2501, to speed up the approval process for obtaining salvage titles. That bill was supported by Insurance Auto Auctions (IAA) and Copart and the Division of Vehicles ok'd the

statutory changes. That bill passed the House floor 119-3. It was heard in the Senate Transportation Committee where it was amended to allow salvage vehicle dealers to apply for salvage titles under the new language. HB 2501, as amended, was to be heard on the Senate floor where the intent was to merge the Senate bill (SB 374) into the House bill (HB 2501) as amended, but this progress was also halted by the COVID shutdown.

SB 36 contains both of these well vetted bills that received overwhelming support from you and your colleagues last year. It also contains a few technical amendments reviewed and approved by the DMV, the Revisor and the proponents of SB 36. We urge you to act favorably on SB 36. Thank you.