

# SALVAGE TITLE

## POLICY

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### SALVAGE TITLE

JULY 2013; NEW

#### KEYWORDS

Salvage  
Rebuilt Salvage  
Total Loss  
Nonhighway-Salvage  
Damaged Vehicle

#### STATUTES, (KSA)

8-197  
8-198  
8-199  
8-199a

### TRAILERS

**TRAILERS CANNOT BE TITLED AS SALVAGED IN KANSAS.**

ANY TRAILER NEEDING A TITLE WILL BE REQUIRED TO APPLY FOR TITLE AND REGISTRATION, REGARDLESS OF THE TRAILER'S OPERATING CONDITION. (Only Licensed Kansas dealers may apply for Dealer Inventory Title Only for a Trailer in inventory.)

Trailers titled as salvage by other states can only be titled and registered in Kansas as Kansas statute provides no basis for a salvage title on a trailer. An MVE-1 will be required for the out-of-state title, NOT as a Rebuilt Salvage Title.

### SALVAGE VEHICLE

A vehicle may be declared salvage at any time before the points below are met, if the insurance company and/or the owner declare the vehicle as salvage.

The following definitions are the points at which a vehicle **MUST** be designated as salvage.

A salvage vehicle means:

- (A) Any motor vehicle, other than a late model vehicle, which is of a type required to be registered in this state, but which cannot be registered because it has been wrecked or damaged to the extent that:
  - i. The equipment required by state statute on any such vehicle used on the highways of this state is not present or is not in good condition or proper adjustment, as prescribed by state statute or any rules and regulations adopted pursuant thereto,
  - ii. or such vehicle is in an inoperable condition or a condition that would render the operation thereof on the highways of this state a hazard to the public safety;
  - iii. and in either event, such vehicle would require substantial repairs to rebuild or restore such vehicle to a condition which will permit the registration thereof;

- (B) A late model vehicle which required to be registered in this state and which has been wrecked or damaged to the extent that the total cost of repair is 75% or more of the fair market value immediately preceding the time it was wrecked or damaged and was not merely exterior cosmetic damage as a result of windstorm or hail
- (C) A motor vehicle, required to be registered in this state that the insurer determines is a total loss and for which the insurer takes title;

#### **LATE MODEL VEHICLE**

A late model vehicle means any motor vehicle which has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked or damaged or any of the six preceding years:

EX: If the wreck occurred in 2012, and if the vehicle has a model year of 2005 or newer it is considered a late model vehicle.

#### **FAIR MARKET VALUE**

Fair market value means the retail value of a motor vehicle as:

- (A) Set forth in a current edition of any nationally recognized compilation, including an automated database of retail value; or
- (B) Determined pursuant to a market survey of comparable vehicles with regard to condition and equipment;

#### **COST OF REPAIRS**

Cost of repairs means the estimated or actual retail cost of parts needed to repair a vehicle plus the cost of labor computed by using the hourly labor rate and time allocations for automobile repairs that are customary and reasonable. Retail costs of parts and labor rates may be based upon collision estimating manuals or electronic computer estimating systems customarily used in the automobile industry. The total cost of repairs to rebuild or reconstruct the vehicle shall not include the cost of repairing, replacing or reinstalling tires, sound systems, or any sales tax on parts or materials to rebuild or reconstruct the vehicle.

**SALVAGE TITLE**

A salvage title may be issued when a vehicle cannot be operated on the streets or highways of Kansas for one of the following reasons:

**REASONS**

- ✓ Salvage due to being wrecked or damaged.
- ✓ Salvage due to flood damage.
- ✓ Salvage due to fire damage.

A Salvage, Nonhighway or Nonrepairable Vehicle Title Affidavit, form TR-13, must be submitted with **EVERY** salvage title application. (This includes **new ownership transfers for** vehicles currently titled in Kansas as salvage.) The owner making application for the salvage title must sign the affidavit. When a salvage vehicle is sold or ownership is being transferred, the salvage title must be assigned or re-assigned to the new owner.

A vehicle that is titled as salvage cannot be issued registration, therefore liability insurance is not required as prescribed by the Kansas Automobile Injury Reparations Act.

A vehicle that has been titled as salvage will after meeting requirements, continue to a rebuilt salvage brand on its Kansas title with the salvage brand in the vehicle history.

**EXCEPTION:** If a new Salvage, Nonhighway or Nonrepairable Vehicle Title Affidavit, TR-13, is completed declaring the vehicle as nonrepairable.

**A SALVAGE TITLE CAN BE ISSUED ON AN MSO/MCO IF**

- The vehicle was involved in an accident WITHIN 60 days of the purchase date, the owner may make application for a salvage title. A copy of police/accident report must be submitted along with the MCO/MSO as a supporting document.
- The vehicle is still in the new vehicle dealer's inventory, and is designated as salvage, the dealer or insurance company may apply for a salvage title with an MCO/MSO. A copy of the law enforcement accident report or insurance settlement detailing the cause of the designation must be submitted as a supporting document for the transaction.

## **APPLYING FOR A SALVAGE TITLE**

**NOTE:** It is unlawful for any person to sell or transfer the ownership of a vehicle that has been designated as a salvage vehicle, unless the seller assigns a salvage title to the purchaser. The exception is the owner of a designated salvage vehicle who is assigning the title to an insurance company as part of the claim settlement. When a claim settlement is involved, the owner will not be required to obtain a salvage title in their name before assigning ownership to the insurance company. (KSA 8-199)

A Salvage, Nonhighway or Nonrepairable Vehicle Title Affidavit, form TR-13, must accompany all applications for salvage titles including when ownership transfers are made on vehicles currently titled in Kansas as salvage. 60 Day policy for title application applies. When an insurance company takes possession of a vehicle as the result of a damage claim settlement, a salvage title must be applied for in the company's name.

## **STOLEN VEHICLE**

When an insurance company is applying for a title as a result of a STOLEN vehicle claim, a title application indicating nonhighway "B-liability insurance discontinued" should be indicated in the system and marked on the Salvage, Nonhighway or Nonrepairable Vehicle Title Affidavit, TR-13". A salvage title should not be applied for at this point. If the vehicle is recovered with damage, a salvage title is then applicable to reflect the condition of the recovered vehicle.

## **SALES TAX**

The sale of a salvage vehicle is considered a retail sale and is subject to Kansas sales or compensating use tax, and proof of tax payment is required before a title will be issued.

VEHICLE OWNERSHIP TRANSFERRED TO AN INSURANCE COMPANY AS A RESULT OF AN INSURANCE CLAIM IS **NOT** A RETAIL SALE AND IS EXEMPT FROM SALES TAX.

## **APPLICATION FORMS AND FEES**

A Salvage, Nonhighway or Nonrepairable Vehicle Title Affidavit, TR-13, **MUST** be fully completed.

The appropriate title application fees and penalties will be

charged. If the application for a new salvage title is not made within 60 days of the date of sale, late title application penalties will be due.

### **REGISTRATION/LICENSE PLATE FROM A SALVAGE VEHICLE**

When an owner of a vehicle currently titled with an original Kansas title is applying for a salvage title, the license plate(s)/registration from vehicle **CANNOT** be transferred to another vehicle nor can a refund be given.

Upon application for the salvage title, the owner will retain their registration and license plate, but **CANNOT** operate the vehicle with the license plate.

If still current the registration/license plate may be transferred back onto that vehicle after it is inspected by the Kansas Highway Patrol and an application for rebuilt salvage title is processed for the vehicle.

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**CHECK THE LEGACY DATA BASE TO DETERMINE IF THE MVS RECORD IS THE MOST CURRENT RECORD.**

**LAUNCH AND SIGN INTO THE MOVRS SYSTEM**

- Click on VRT.
- Click on Title Transactions.
- Click on Salvage Title.

**TRANSACTION PREQUALIFIER SCREEN**

- Enter the Purchase Date. If this transaction is the same customer retaining vehicle but going Salvage, enter today as the purchase date.
- Enter the VIN number.
- Enter the Customer ID number or Customer Driver's License number.
- Click Continue.

**SALVAGE TITLE SCREEN**

- The Salvage Title screen will appear.

**APPLICATION TAB**

- Enter the odometer information if applicable.

**VEHICLE STATUS TAB**

- The vehicle's title information and ownership information displays. This information is for review unless dealer assignment information is applicable. If ownership is not changing and lien currently shows on the vehicle, this lien must be carried forward.

**FEE DETAIL TAB**

- This tab gives the breakdown of fees for this transaction.

**TAXES TAB**

- Enter the purchase price of the vehicle, if applicable.
- If the vehicle has been deemed salvage for the current owner, select the sales tax exemption reason of "Title

Change on Same Owner”.

- Click the Update Tax Rates button.

#### **RELATED CUSTOMERS TAB**

- The owner and, if applicable, any SI holder (lien holder) information must be selected and displayed on this tab.
- Use the Capture Signature button to activate the signature pad for an in person application otherwise see the Signature Policy.

#### **MAILING TAB**

- Review information for mailing address for the title.
- If the correct mailing information is not displayed enter the correct information here.

#### **DOCUMENTS TAB**

- All applicable documents must be selected and marked to Scan or Scan Later.
- Following Scanning Procedure for documents applicable to the transaction.

#### **EXCEPTION TAB (MAKING CORRECTIONS)**

- Any designations applicable to the vehicle display here.

#### **COMPLETE APPLICATION**

- Click PAY NOW.
- Collect fees.
- Finalize transaction and generate credentials/correspondence.