

## CHAPTER 853—H.F.No.1690

[Coded in Part]

*An act relating to taxation; imposing a three percent motor vehicle excise tax; providing exemptions thereto; establishing the manner for collection and allocation of revenues; providing penalty; appropriating money; amending Minnesota Statutes 1969, Section 168.33, Subdivision 2; and Chapter 168, by adding a section and Section 297A.25, by adding a subdivision.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [297B.01] MOTOR VEHICLE EXCISE TAX; DEFINITIONS. Subdivision 1. The following words, terms and phrases when used in this act shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning.

Subd. 2. "Person" includes any individual, firm, partnership, joint adventure, association, corporation, estate, business trust, receiver, or any other group or combination acting as a unit and the plural as well as the singular number.

Subd. 3. "Motor vehicle registrar" shall mean the registrar of motor vehicles who is the officer in charge of the motor vehicle division, department of public safety, of this state and who shall act as the agent of the commissioner of taxation in administering the provisions of this chapter.

Subd. 4. "Vehicle" shall include every device in, upon, or by which any person or property may be transported or drawn upon a public highway, except devices moved by human power or animal power or used exclusively upon stationary rails or tracks.

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles, for which registration is required by Minnesota Statutes, Chapter 168, but not including house trailers or mobile homes.

Subd. 6. "Use" shall mean the exercise by any person of any right or power over a motor vehicle incident to the ownership or possession of such a vehicle, except that it shall not include the sale or holding for sale of such a vehicle in the regular course of business. Any motor vehicle acquired for resale, owned for a period of less than six months by a dealer as defined in Minnesota Statutes 1969, Section 168.011, Subdivision 21, and used in connection with the business of selling motor vehicles shall be considered property held for resale.

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The term shall not include motor vehicles used as demonstrators or motor vehicles rented or leased.

Subd. 7. "Sale, sells, selling, purchase, purchased or acquired" means any transfer of title of any motor vehicle, whether absolutely or conditionally, for a consideration in money or by exchange or barter for any purpose other than resale in the regular course of business. Any motor vehicle utilized by the owner only by leasing such vehicle to others or by holding it in an effort to so lease it, and which is put to no other use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale. The terms also shall include any transfer of title or ownership of a motor vehicle by way of gift or by any other manner or by any other means whatsoever, for or without consideration, except that these terms shall not include acquisition by inheritance from or by bequest of, a decedent who owned it, nor shall these terms include the transfer of a motor vehicle which was previously licensed in the names of two or more joint tenants and subsequently transferred without monetary consideration to one or more of the joint tenants, nor shall these terms include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child.

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under this act, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child.

Subd. 9. "Purchaser" shall mean any person owning or in possession of a motor vehicle who makes application to the motor vehicle registrar for registration plates for such vehicle or for transfer of ownership of a vehicle previously registered in this state.

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Sec. 2. [297B.02] TAX IMPOSED. There is hereby imposed an excise tax at the rate of three percent on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

Sec. 3. [297B.03] EXEMPTIONS. There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use of any motor vehicle by any person described in and subject to the conditions provided in Minnesota Statutes, Section 297A.25, Subdivision 1, Clauses (j), (l), (m), (n) and (q).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

Sec. 4. [297B.04] MOTOR VEHICLE PURCHASER'S CERTIFICATE FURNISHED TO MOTOR VEHICLE REGISTRAR. All persons who apply for registration of any motor vehicle shall complete a motor vehicle purchaser's certificate in such form and manner as may be prescribed by the motor vehicle registrar, showing a complete description of the motor vehicle, the seller's name and address, the buyer's name and address, the full purchase price of the vehicle, trade-in allowance if any, whether the vehicle was the subject of a gift, and any other information that the motor vehicle registrar may require.

Sec. 5. [297B.05] PRESENTATION OF MOTOR VEHICLE PURCHASER'S CERTIFICATE TO MOTOR VEHICLE REGISTRAR. No registration plates or certificate shall be issued by the motor vehicle registrar for a motor vehicle unless and until the applicant therefor shall attach a properly executed motor vehicle purchaser's certificate to the application for license registration. If an application for registration or transfer is made for a motor vehicle that has been previously registered in this state and the applicant is the same person in whose name the registration had previously been issued, the motor vehicle purchaser's certificate need not be submitted to the motor vehicle registrar.

Sec. 6. [297B.06] REGISTRATION NOT TO BE ISSUED UNLESS TAX PAID. No registration plates or certificate shall be issued by the motor vehicle registrar for the ownership or operation of any motor vehicle to any applicant for registration other than for those vehicles which have been previously registered and the applicant for registration is the same person in whose name the registration had previously been issued or other than for those vehicles

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exempt from the tax under other sections of this act unless the tax imposed by section 2 of this act shall be paid by the applicant to the motor vehicle registrar.

Sec. 7. [297B.07] **PRESUMPTION.** For the purpose of the proper administration of this act and to prevent evasion of the tax, the following presumptions shall apply:

(1) Evidence that a motor vehicle was sold for delivery in this state shall be prima facie evidence that it was sold for use in this state.

(2) When an application for registration plates for a motor vehicle is received by the motor vehicle registrar within 30 days of the date it was purchased or acquired by the purchaser, it shall be presumed, until the contrary is shown by the purchaser, that it was purchased or acquired for use in this state. This presumption shall apply whether or not such vehicle was previously titled or registered in another state.

Sec. 8. [297B.08] **CREDIT FOR EXCISE TAX PAID IN OTHER STATES; RECIPROCITY.** If any motor vehicle has been or is subject to a tax by any other state in respect to its sale or use, in an amount less than the tax imposed by this act, the provisions of this act shall apply, but at a rate measured by the difference only between the rate fixed in this act and the rate by which the previous tax paid in the other state upon the sale or use was computed. If the rate of tax imposed in such other state is the same or more than the rate of tax imposed by this act, then no tax shall be due on such motor vehicle. The provisions of this section shall apply only if such other state allows a credit with respect to the excise tax imposed by this act which is substantially similar in effect to the credit allowed by this section.

Sec. 9. [297B.09] **ALLOCATION OF REVENUE.** All moneys collected and received under this act shall be allocated monthly by the motor vehicle registrar to the state commissioner of taxation and by him shall be paid to the state treasurer and shall be deposited and transmitted as provided in Minnesota Statutes, Sections 297A.44 and 297A.51.

Sec. 10. [297B.10] **PENALTIES.** (1) Any person who shall complete or submit a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this act shall be guilty of a misdemeanor and for each such offense shall be fined not to exceed \$500 or shall be imprisoned in the county jail not to exceed one year, or shall be subject to both such fine and imprisonment, in the discretion of the court.

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(2) Any person who shall violate any of the provisions of this act shall, unless the violation be of the type referred to in clause (1), be guilty of a misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both such fine and imprisonment.

Sec. 11. **[297B.11] MOTOR VEHICLE REGISTRAR TO ACT AS AGENT OF COMMISSIONER OF TAXATION IN ADMINISTRATION OF MOTOR VEHICLE EXCISE TAX.** The state commissioner of taxation is charged with the administration of this act. The commissioner may prescribe all rules and regulations not inconsistent with the provisions of this act, necessary and advisable for the proper and efficient administration of this act. The collection of this motor vehicle excise tax shall be carried out by the motor vehicle registrar who shall act as the agent of the commissioner and who shall be subject to all rules and regulations not inconsistent with the provisions of this act that may be prescribed by the commissioner. The provisions of this act shall not be construed as preventing the collection of motor vehicle excise taxes by the commissioner of taxation in the course of any audit carried on by the commissioner of taxation.

Sec. 12. **[297B.12] CONFIDENTIAL NATURE OF INFORMATION.** It shall be unlawful for the motor vehicle registrar, deputy registrars or any other public official or employee to divulge or otherwise make known in any manner any particulars disclosed in any purchaser's certificate or any information concerning affairs of any person making such certificate acquired from his records, officers or employees except in connection with the proceeding involving taxes due under this act. Nothing herein contained should be construed to prohibit the publishing of statistics so classified as not to disclose the identity of particular purchasers' certificates and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 13. Minnesota Statutes 1969, Section 168.33, Subdivision 2, is amended to read:

Subd. 2. **POWERS.** The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable him to properly carry out the duties imposed upon him by the provisions of this chapter. Before entering upon the discharge of his duties, each deputy and each employee having the charge of handling any money or number of plates shall give bond to the state in the sum of at least \$2,000, or in such larger amount as the registrar may fix, conditioned upon the faithful discharge of his duties. Premiums on such bonds shall be paid by the state from money provided for the maintenance of the registrar's office.

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The registrar may appoint, and at his pleasure discontinue, the county auditor of each county as a deputy registrar. The auditor, with the approval of the director, may appoint the clerk or equivalent officer of each city, village, and borough or any other person as a deputy registrar as public interest and convenience may require. Each such deputy, before entering upon the discharge of his duties, shall qualify with the requirements imposed for the qualifying of registrar, except that the amount of the bond required to be given by the deputy shall be \$10,000, or such larger sum as the registrar, from time to time, shall require. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within the place for which he is appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. He shall keep such records and make such reports to the registrar as that officer, from time to time, may require. He shall charge and receive for each application presented a filing fee of ~~50 cents~~ \$1, and shall report daily to the registrar all registrations made and taxes and fees collected by him. The filing fee of ~~50 cents~~ \$1 shall be deposited in the treasury of the place for which he is appointed, or if such deputy is not a public official, he shall retain the filing fee, but the registration tax and any additional fees for delayed registration he has collected he shall deposit each day in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 14. Minnesota Statutes 1969, Chapter 168, is amended by adding a section to read:

**Sec. [168.092] TEMPORARY VEHICLE PERMITS.** Subdivision 1. The motor vehicle registrar may issue a permit to any person purchasing a new motor vehicle in this state for the purpose of allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due on the transfer. The permit shall be valid for a period of 10 days. The permit shall be in such form as the registrar may determine and, whenever practicable, shall be posted upon the left side of the inside rear window of the vehicle. Each such permit shall be valid only for the vehicle for which issued.

Subd. 2. The registrar may issue a quantity of permits in booklet form to licensed dealers. When the dealer issues a permit, he shall immediately forward to the registrar information on forms supplied by the registrar showing to whom the permit was issued, the vehicle description, date of issue and expiration, and such other information as the registrar may require.

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Sec. 15. [297B.13] As defined in this act, the sale or use of motor vehicles shall be exempt from the excise tax imposed by Minnesota Statutes, Chapter 297A; however, the leasing or other use of motor vehicles not subject to tax under the provisions of the motor vehicle excise tax laws shall be subject to the provisions of said chapter.

Sec. 16. There is hereby appropriated out of the general fund to the motor vehicle division, department of public safety, the sum of \$300,000 for the biennium beginning July 1, 1971, for the purpose of administering this act.

Sec. 17. Minnesota Statutes 1969, Section 297A.25, is amended by adding a subdivision to read:

Subd. 5. The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter.

Sec. 18. This act shall take effect January 1, 1972.

Approved June 4, 1971.

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## CHAPTER 854—H.F.No.1759

[Coded]

*An act relating to depositories of public funds.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **[118.17] MUNICIPALITIES; SAVINGS ASSOCIATIONS AS DEPOSITORIES.** Any saving association as defined in Minnesota Statutes, Section 51A.02 which has its deposits insured by the Federal Savings and Loan Insurance Corporation may be designated by any municipality in this state as a depository for the funds of the municipality; provided that the funds so deposited in each such depository shall not exceed the lesser of the amount of Federal Savings and Loan Insurance Corporation insurance covering such deposits or the amount of Federal Deposit Insurance Corporation insurance provided for such deposits in insured banks. The interest or dividend on such deposits shall not exceed that maximum savings account rate permitted to commercial banks on applicable amounts and maturities. This insurance shall be in lieu of personal, corporate or other surety, guaranty, securities or bonds required by any law of this state providing for the securing of public funds deposited in any legally authorized depository.

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