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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1901**

01/24/2012 Authored by McFarlane, Mullery, Cornish, Woodard, Johnson and others

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

03/13/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to transportation; amending regulation of scrap vehicle purchasing;
1.3 proposing coding for new law in Minnesota Statutes, chapter 168.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. [168.2705] SCRAP VEHICLE DEALERS; PROOF OF TITLE OR
1.6 HOLD.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms
1.8 have the meanings given them.

1.9 (b) "Proof of identification" means the seller's valid driver's license, valid Minnesota
1.10 identification card, or other identification document issued by any state, federal, or foreign
1.11 government if the document includes the person's photograph, full name, birth date, and
1.12 signature.

1.13 (c) "Scrap vehicle" means a motor vehicle acquired: (1) for processing and selling
1.14 the metal for remelting, or (2) for dismantling and selling used parts and remaining scrap
1.15 materials.

1.16 (d) "Scrap vehicle dealer" means a licensee under section 168.27 that acquires
1.17 scrap vehicles.

1.18 Subd. 2. Scrap vehicle transactions. (a) A scrap vehicle dealer who acquires a
1.19 scrap vehicle must obtain:

1.20 (1) except as provided in paragraph (b), a certificate of title or salvage title matching
1.21 the vehicle identification number of the scrap vehicle, and any applicable lien releases;

1.22 (2) a copy of the seller's proof of identification; and

2.1 (3) a statement signed by the seller, under penalty of perjury, attesting that the motor
2.2 vehicle is not stolen and is free of any liens or encumbrances and that the seller has the
2.3 right to sell the motor vehicle.

2.4 (b) A scrap vehicle dealer may agree to purchase a scrap vehicle without proof of
2.5 title under paragraph (a), clause (1), provided that the dealer shall:

2.6 (1) enter into a purchase agreement with the seller, which must include the following
2.7 information on the scrap vehicle: (i) vehicle identification number; (ii) make, model, and
2.8 color; and (iii) license plate number, if any;

2.9 (2) not scrap, dismantle, or in any way destroy the scrap vehicle for seven days
2.10 following the date of the purchase agreement; and

2.11 (3) report the vehicle identification number to the local law enforcement agency
2.12 having jurisdiction over the scrap vehicle dealer's business, within one business day
2.13 following the date of the purchase agreement.

2.14 Subd. 3. **Purchase from other dealers or merchants.** (a) Subdivision 2 does not
2.15 apply when a scrap vehicle is purchased from:

2.16 (1) an insurance company, rental car company, financial institution, or charity; or

2.17 (2) a licensee under section 168.27.

2.18 (b) A scrap vehicle dealer acquiring a scrap vehicle under this subdivision shall
2.19 obtain the seller's business name and address, a copy of the seller's proof of identification,
2.20 and, if available, a bill of sale or other evidence of open or legitimate purchase.

2.21 Subd. 4. **Retention period; investigative holds and seizure.** (a) Copies of
2.22 documentation and reports required under this section shall be retained by the scrap
2.23 vehicle dealer for a minimum period of three years and shall at all reasonable times be
2.24 open to the inspection of any law enforcement agency or officer.

2.25 (b) The provisions of section 325E.21, subdivision 8, apply to scrap vehicles in
2.26 the possession of a scrap vehicle dealer.

2.27 **EFFECTIVE DATE.** This section is effective July 1, 2012, and applies to
2.28 transactions occurring on or after that date.