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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2136**

02/08/2012 Authored by Sanders, Hoppe, Beard, Atkins and Gunther

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

03/05/2012 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 motor vehicles; regulating salvage titles; modifying the disclosure of
1.3 motor vehicle damage; amending Minnesota Statutes 2010, sections 168A.01,
1.4 subdivisions 6a, 8a, 12a; 168A.151, subdivision 1; 325F.6641; 325F.6644,
1.5 subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2010, section 168A.01, subdivision 6a, is amended to
1.8 read:

1.9 Subd. 6a. **High-value vehicle.** "High-value vehicle" means a vehicle ~~manufactured~~
1.10 ~~six or more years before the start of the current model year~~ that had an actual cash value in
1.11 excess of ~~\$5,000~~ \$9,000 before being damaged, or a vehicle with a manufacturer's rating
1.12 of over 26,000 pounds gross vehicle weight, that is not a late-model vehicle.

1.13 Sec. 2. Minnesota Statutes 2010, section 168A.01, subdivision 8a, is amended to read:

1.14 Subd. 8a. **Late-model vehicle.** "Late-model vehicle" means a vehicle ~~manufactured~~
1.15 ~~in the current model year or the five model years~~ with a manufacturer's designated model
1.16 year equal to or greater than the fifth calendar year immediately preceding the current
1.17 ~~model~~ calendar year.

1.18 Sec. 3. Minnesota Statutes 2010, section 168A.01, subdivision 12a, is amended to read:

1.19 Subd. 12a. **Older model vehicle.** "Older model vehicle" means a vehicle
1.20 ~~manufactured in the sixth model year immediately preceding the current model year or~~
1.21 ~~earlier that is not a high-value vehicle~~ that is not a late-model vehicle.

1.22 Sec. 4. Minnesota Statutes 2010, section 168A.151, subdivision 1, is amended to read:

2.1 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in
 2.2 Minnesota, acquires ownership of a late-model or high-value vehicle through payment
 2.3 of damages, the insurer shall immediately apply for a salvage certificate of title or shall
 2.4 stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF
 2.5 TITLE" in a manner prescribed by the department. Within ~~48 hours of taking possession~~
 2.6 ten days of obtaining the title of a vehicle through payment of damages, an insurer must
 2.7 notify the department in a manner prescribed by the department.

2.8 (b) A person shall immediately apply for a salvage certificate of title if the person
 2.9 acquires a damaged late-model or high-value ~~motor~~ vehicle with an out-of-state title
 2.10 and the vehicle:

2.11 (1) is a vehicle that was acquired by an insurer through payment of damages;

2.12 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged
 2.13 vehicle; or

2.14 (3) has an out-of-state salvage certificate of title as proof of ownership.

2.15 (c) A self-insured owner of a late-model or high-value vehicle ~~who~~ that sustains
 2.16 damage by collision or other occurrence which exceeds ~~70~~ 80 percent of its actual cash
 2.17 value shall immediately apply for a salvage certificate of title. ~~Damage, for the purpose of~~
 2.18 ~~this calculation, does not include the actual cost incurred to repair, replace, or reinstall~~
 2.19 ~~inflatable safety restraints and other vehicle components that must be replaced due to the~~
 2.20 ~~deployment of the inflatable safety restraints.~~

2.21 Sec. 5. Minnesota Statutes 2010, section 325F.6641, is amended to read:

2.22 **325F.6641 DISCLOSURE OF MOTOR VEHICLE DAMAGE.**

2.23 Subdivision 1. **Damage.** (a) If a ~~motor~~ late-model vehicle, as defined in section
 2.24 168A.01, subdivision 8a, has sustained damage by collision or other occurrence which
 2.25 exceeds ~~70~~ 80 percent of its actual cash value immediately prior to sustaining damage, the
 2.26 seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage.
 2.27 The amount of damage is determined by the retail cost of repairing the vehicle based on a
 2.28 complete written retail repair estimate or invoice, ~~exclusive of the actual cost incurred to~~
 2.29 ~~repair, replace, or reinstall inflatable safety restraints and other vehicle components that~~
 2.30 ~~must be replaced due to the deployment of the inflatable safety restraints.~~

2.31 (b) The disclosure required under this subdivision must be made in writing on the
 2.32 application for title and registration or other transfer document, in a manner prescribed
 2.33 by the registrar of motor vehicles. The registrar shall revise the certificate of title form,
 2.34 including the assignment by seller (transferor) and reassignment by licensed dealer
 2.35 sections of the form, the separate application for title forms, and other transfer documents

3.1 to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to
3.2 section 168.27, the disclosure required by this section must be made orally by the dealer to
3.3 the prospective buyer in the course of the sales presentation.

3.4 (c) Upon transfer and application for title to a vehicle covered by this subdivision,
3.5 the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all
3.6 subsequent Minnesota certificates of title used for that vehicle.

3.7 Subd. 2. **Form of disclosure.** The disclosure required in this section must be made
3.8 in substantially the following form: "To the best of my knowledge, this vehicle has
3.9 has not sustained damage, ~~exclusive of any costs to repair, replace, or reinstall air bags~~
3.10 ~~and other components that were replaced due to deployment of air bags,~~ in excess of
3.11 ~~70~~ 80 percent actual cash value."

3.12 Sec. 6. Minnesota Statutes 2010, section 325F.6644, subdivision 1, is amended to read:

3.13 Subdivision 1. **Damage disclosure.** Section 325F.6641 does not apply to ~~vehicles~~
3.14 ~~that are six years old or older as calculated from the first day of January of the designated~~
3.15 ~~model year or to~~ commercial motor vehicles with a gross vehicle weight rating of 16,000
3.16 pounds or more or to motorcycles.