

facility used for the confinement of adults who have been charged with or convicted of a crime.

Sec. 6. EFFECTIVE DATE.

Sections 1 to 3 are effective August 1, 1989. Sections 4 and 5 are effective August 1, 1991.

Presented to the governor May 15, 1989

Signed by the governor May 18, 1989, 3:17 p.m.

CHAPTER 148—H.F.No. 931

An act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; requiring a form for disclosure of the condition of a vehicle's pollution control equipment on the certificate of title; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5, and by adding a subdivision; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

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

Section 1. Minnesota Statutes 1988, section 168A.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in section 168A.03, ~~and subject to section 168A.26,~~ every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state shall make application to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause 3.

Sec. 2. Minnesota Statutes 1988, section 168A.04, subdivision 2, is amended to read:

Subd. 2. If the application refers to a vehicle purchased from a dealer it shall contain the name and address of any secured party holding a security interest created or reserved at the time of the sale and the date of the security agreement and be signed by the dealer as well as the owner, and the dealer shall promptly within ten days mail or deliver the application and appropriate taxes to the department.

Sec. 3. Minnesota Statutes 1988, section 168A.05, subdivision 5, is amended to read:

New language is indicated by underline, deletions by strikeout.

Subd. 5. **ASSIGNMENT AND WARRANTY OF TITLE FORMS.** The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and ~~may shall~~ contain forms for applications for a certificate of title by a transferee, and the naming of a secured party; ~~and the assignment or release of security interests.~~

Sec. 4. Minnesota Statutes 1988, section 168A.05, is amended by adding a subdivision to read:

Subd. 5a. POLLUTION CONTROL EQUIPMENT DISCLOSURE. The certificate of title shall contain a form for disclosure by the transferor of the condition of the vehicle's pollution control equipment as required by section 325E.0951. The disclosure form must be as prescribed by the registrar.

Sec. 5. Minnesota Statutes 1988, section 168A.06, is amended to read:

168A.06 DELIVERY OF CERTIFICATE.

The certificate of title shall be mailed ~~or delivered~~ to the first secured party owner named in it; ~~or if none, to the owner.~~ Secured parties, if any, shall be mailed notification of their security interest filed.

Sec. 6. Minnesota Statutes 1988, section 168A.09, is amended to read:

168A.09 DUPLICATE CERTIFICATE.

Subdivision 1. In the event a certificate of title is lost, stolen, mutilated, or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate; ~~or a secured party noted thereon as shown by the records of the department;~~ may make application to the department for a duplicate on a form prescribed by the department. The department shall issue a duplicate certificate of title if satisfied that the applicant is entitled thereto. The duplicate certificate of title shall be plainly marked as a duplicate and mailed ~~or delivered to the person who according to the records of the department is the holder of the first security interest in the vehicle; or if none, to the owner.~~ The department shall indicate in its records that a duplicate has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and form prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title shall contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

~~Subd. 2. The department shall not issue a new certificate of title to a transferee upon application made on a duplicate until at least 15 days after receipt of the application.~~

Subd. 3. A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the department.

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Sec. 7. Minnesota Statutes 1988, section 168A.10, is amended to read:

168A.10 TRANSFER OF INTEREST BY OWNER.

Subdivision 1. If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee in the space provided therefor on the certificate ~~or as the department prescribes~~. With respect to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate ~~or as the department prescribes~~, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be ~~mailed or delivered to the transferee or to the department~~ immediately.

Subd. 2. Except as provided in section 168A.11, the transferee shall, promptly within ten days after taking delivery assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided therefor on the certificate ~~or as the department prescribes~~, and cause the certificate and application of title to be mailed or delivered to the department.

~~Subd. 3. Upon request of the owner or transferee, a secured party in possession of the certificate of title shall, either deliver the certificate to the transferee for delivery to the department, or upon receipt from the transferee of the owner's assignment, the transferee's application for a new certificate and the required fee, mail or deliver them to the department. The delivery of the certificate does not affect the rights of the secured party under a security agreement.~~

Subd. 4. If a security interest is reserved or created at the time of the transfer, the certificate of title a notification of security interest shall be ~~retained by or delivered or mailed~~ to the person who becomes the secured party, ~~unless a prior secured party is entitled to it, and the parties shall comply with the provisions of section 168A.18.~~

Subd. 5. Except as provided in section 168A.11 and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied, or within 48 hours after such delivery does comply, with the provisions of this section requiring action by the owner is not liable as owner for any damages resulting from operation of the vehicle after the delivery of the vehicle to the transferee.

Subd. 6. Every owner or transferor of a motor vehicle who fails or delays for more than 14 days to file the transfer of ownership with the registrar shall pay the registrar a fee of \$2.

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Sec. 8. Minnesota Statutes 1988, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner ~~or the secured party within ten days after taking delivery of the vehicle~~, and complies with subdivision 2 hereof, the dealer need not apply for a certificate of title, but upon transferring the vehicle to another person other than by the creation of a security interest shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided therefor on the certificate ~~or as the department prescribes~~. With respect to motor vehicles subject to the provisions of section 325E.15, the dealer shall also, in the space provided therefor on the certificate ~~or as the department prescribes~~, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferee shall complete the application for title section on the certificate of title. The dealer shall mail or deliver the certificate to the department with the transferee's application for a new certificate and appropriate taxes and fees, within ten days.

Sec. 9. Minnesota Statutes 1988, section 168A.12, subdivision 2, is amended to read:

Subd. 2. If the interest of the owner is terminated or the vehicle is sold under a security agreement by a secured party named in the certificate of title, the transferee shall promptly mail or deliver to the department the last certificate of title, if available, an application for a new certificate in the form the department prescribes, and an affidavit made by or on behalf of the secured party that the interest of the owner was lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If the secured party succeeds to the interest of the owner and holds the vehicle for resale, the secured party need not secure a new certificate of title provided that a notice thereof in form designated by the department is mailed or delivered by the secured party to the department in duplicate within 48 hours, but upon transfer to another person the secured party shall promptly execute assignment and warranty of title and mail or deliver to the transferee or the department the certificate, if available, the affidavit, and other documents required to be sent to the department by the transferee.

Sec. 10. Minnesota Statutes 1988, section 168A.14, is amended to read:

168A.14 DUTY OF DEPARTMENT TO ISSUE NEW CERTIFICATES AND RETAIN SURRENDERED CERTIFICATES.

Subdivision 1. The department, upon receipt of a properly assigned certificate of title, with an application for a new certificate of title, the required fee fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner and list any secured party named on

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~~it and mail or deliver it to the first secured party named in it, or if none, to the owner. The secured party or parties shall be issued a notification that the security interest has been filed.~~

Subd. 2. The department, upon receipt of an application for a new certificate of title by a transferee other than by voluntary transfer, with proof of the transfer, the required fee fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner. If the outstanding certificate of title is not delivered to it, the department shall make demand therefor from the holder thereof.

Subd. 3. The department shall file and retain for ~~five~~ seven years every surrendered certificate of title, the file to be maintained so as to permit the tracing of title of the vehicle designated therein.

Sec. 11. Minnesota Statutes 1988, section 168A.18, is amended to read:

168A.18 DUTIES OF PARTIES WITH RELATION TO SECURITY INTEREST.

If an owner creates a security interest in a vehicle:

(1) The owner shall immediately execute the application in the space provided therefor on the certificate of title, or on a separate form the department prescribes, to name the secured party on the certificate, showing the name and address of the secured party, and cause the certificate, application, and the required fee fees and taxes to be delivered to the secured party.

(2) The secured party shall immediately cause the certificate, application, and the required fee fees and taxes to be mailed or delivered to the department.

(3) ~~Upon request of the owner or A second or subordinate secured party, a secured party in possession of the certificate of title shall either mail or deliver the certificate to the subordinate secured party for delivery to the department, or upon receipt from the subordinate secured party of the owner's application, and the required fee, mail or deliver them to the department with the certificate. The delivery of the certificate does not affect the rights of the first secured party under a security agreement.~~

(4) Upon receipt of the certificate of title, application, and the required fee fees and taxes, the department shall ~~either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the first secured party named in it~~ owner. The secured party or parties shall be issued a notification that the security interest has been recorded.

Sec. 12. Minnesota Statutes 1988, section 168A.20, subdivision 1, is amended to read:

Subdivision 1. **CERTIFICATE WITH LATEST SECURED PARTY.** Upon

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the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the secured party, the secured party shall within 15 days execute a release of security interest in the space provided therefor on the certificate or as the department prescribes, and mail or deliver the certificate and release to the next secured party named therein, or if none, to the owner or any person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly cause the certificate and release, together with the required fee fees and taxes, to be mailed or delivered to the department, which shall release the secured party's rights on the certificate or issue a new certificate.

Sec. 13. Minnesota Statutes 1988, section 168A.20, is amended by adding a subdivision to read:

Subd. 1a. TITLES ISSUED BEFORE JULY 1, 1990. For titles issued to the secured party before July 1, 1990, the secured party shall hold the certificate of title until the security interest is satisfied.

Sec. 14. Minnesota Statutes 1988, section 168A.20, is amended by adding a subdivision to read:

Subd. 3. CERTIFICATE WITH OWNER. Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, the secured party shall within 15 days execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Sec. 15. Minnesota Statutes 1988, section 168A.23, subdivision 1, is amended to read:

Subdivision 1. The department shall suspend or revoke a certificate of title upon notice and reasonable opportunity to be heard when authorized by any other provision of law, or if it finds:

(1) The certificate of title was fraudulently procured or erroneously issued;

(2) The vehicle has been scrapped, dismantled, or destroyed; or

(3) the vehicle has been involuntarily transferred and the owner did not surrender the certificate of title.

Sec. 16. REPEALER.

Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28, are repealed.

Sec. 17. EFFECTIVE DATE.

Sections 1 to 16 are effective July 1, 1990, except that the registrar of motor

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vehicles may take action to revise certificate of title, assignment and warranty of title, and application for title forms and other title documents prior to July 1, 1990.

Presented to the governor May 15, 1989

Signed by the governor May 16, 1989, 6:32 p.m.

CHAPTER 149—S.F.No. 1269

An act relating to gambling; video games of chance; prohibiting cash awards; requiring notice to the public and to employees of the consequences of participating in cash awards; prescribing a penalty; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Section 1. **[349.501] REQUIRED NOTICE.**

Subdivision 1. TO THE PUBLIC. An operator must prominently post in the owner's business premises a brief description of the legal consequences of awarding cash instead of game credits or replays on video games of chance in violation of section 2.

The information is prominently posted if it can be readily seen by a player immediately before the player participates in the video game of chance.

Subd. 2. TO EMPLOYEES. An owner shall require all employees to sign a statement that they understand the legal consequences of awarding cash instead of game credits or replays on video games of chance located in the owner's business premises. The statement must contain a full and accurate description of those legal consequences.

Sec. 2. **[349.502] CASH AWARDS PROHIBITED.**

Subdivision 1. MISDEMEANOR. A person who awards or receives cash instead of game credits or replays on a video game of chance is guilty of a misdemeanor. An owner who directs an employee to violate this section is also considered to have violated this section. For purposes of this subdivision "cash" includes checks.

Subd. 2. MANDATORY PENALTY. Upon conviction of a person for the crime established in subdivision 1, the court shall impose a fine of \$700.

Sec. 3. Minnesota Statutes 1988, section 349.51, subdivision 2, is amended to read:

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