

CHAPTER 228—S.F.No. 2995

An act relating to motor vehicles; authorizing certain dealers to retain a charitable interest in certain vehicles; providing for the cancellation of certain automobile liens under certain circumstances; regulating liens for storage charges on certain motor vehicles; amending Minnesota Statutes 2004, section 514.19; Minnesota Statutes 2005 Supplement, section 168A.20, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168A.

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

Section 1. **[168A.172] CHARITABLE INTEREST.**

Subdivision 1. **Agreement.** Notwithstanding any law to the contrary, a holder of a limited used vehicle license (limited dealer) as described in section 168.27, subdivision 4a, may retain a charitable interest in a motor vehicle donated by the limited dealer to an individual without charge and for a charitable purpose. The limited dealer and the transferee may enter into a written agreement describing the nature, extent, and terms of the retained charitable interest.

Subd. 2. **Perfection.** A charitable interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the limited dealer, the date of the limited dealer's charitable agreement, and the required fee. A charitable interest is perfected as of the time of the delivery.

Subd. 3. **Satisfaction of charitable interest.** Upon the satisfaction of a charitable interest described in subdivision 1, in a vehicle for which the certificate of title is in the possession of the owner, the limited dealer shall within seven days execute a release of interest in the format prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the limited dealer an authorization from the owner to receive the release. The limited dealer may notify the registrar of the satisfaction of interest in a manner prescribed by the department.

Sec. 2. Minnesota Statutes 2005 Supplement, section 168A.20, subdivision 5, is amended to read:

Subd. 5. **Satisfaction of automobile lien seven years old; release.** ~~(a)~~ A security interest perfected under this chapter ~~expires~~ may be canceled seven years from the perfection date for a passenger automobile, as defined in section 168.011, subdivision 7, upon the request of the owner of the passenger automobile, if the owner has paid the lien in full and is unable to locate the lienholder to obtain a lien release. At a minimum, the owner must send a letter to the lienholder by certified mail, return receipt requested, requesting a lien release. If the owner is unable to obtain a lien release by sending a letter by certified mail, then the owner must present to the department or its agent the returned letter as evidence of the attempted contact. This subdivision applies only to vehicle owners who are individuals.

~~(b) A lien holder may notify the department in writing or in a format approved by the department during the sixth year of the lien, no later than 90 days in advance of the seven-year anniversary, if the lien will not be satisfied during this registration period and the lien must be extended up to seven additional years as requested by the lien holder.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2004, section 514.19, is amended to read:

514.19 RIGHT OF DETAINER.

A lien and right of detainer exists for:

(1) transporting property, other than harvested crops or livestock, from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) keeping or storing property, other than harvested crops or livestock, as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) the use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

(4) making, altering or repairing any article, other than livestock, or expending any labor, skill or material on it;

(5) reasonable charges for a vehicle rented as a replacement for a vehicle serviced or repaired and being retained as provided by this section.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

If the property subject to the lien is a motor vehicle registered in this state and subject to a certificate of title and one or more secured creditors is listed on the certificate of title, a lien for storage charges for a period greater than 15 days accrues only after written notice is sent by certified mail to all listed secured creditors. The notice must state the name, address, and telephone number of the lienholder, the amount of money owed, and the rate at which storage charges are accruing. The notice provided in this section fulfills the notice to secured creditors required in section 514.20, subject to the time period required under that section.

Presented to the governor May 20, 2006

Signed by the governor May 24, 2006, 12:55 p.m.