CHAPTER 57--H.F.No. 3296

An act relating to motor vehicles; amending various requirements governing motor vehicle titles and disclosure; making technical and clarifying changes; amending Minnesota Statutes 2020, sections 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; repealing Minnesota Statutes 2020, sections 168A.01, subdivision 17a; 325F.6644.

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

Section 1. Minnesota Statutes 2020, section 168A.01, is amended by adding a subdivision to read:

Subd. 16b. **Recovered intact vehicle.** "Recovered intact vehicle" means a vehicle that was:

(1) verified by the vehicle insurer to be stolen and declared a total loss; and

(2) subsequently recovered with damage that is not in excess of 80 percent of its value immediately before it was stolen.

Sec. 2. Minnesota Statutes 2020, section 168A.01, subdivision 17b, is amended to read:

Subd. 17b. **Salvage vehicle.** (a) "Salvage vehicle" means a vehicle ~~that has a salvage certificate of title~~ (1) for which an insurance company has declared a total loss or paid a total loss claim, or (2) that has been involved in a collision or other event in which the cost of repairs exceeds 80 percent of the value of the vehicle immediately before the damage occurred.

(b) Salvage vehicle does not include a recovered intact vehicle.

Sec. 3. Minnesota Statutes 2020, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The application for the first certificate of title of a vehicle or manufactured home in this state, or for reissuance of a certificate of title for a manufactured home under section 168A.142, ~~shall~~ must be made by the owner to the department on the form prescribed by the department and ~~shall~~ must contain:

(1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle or manufactured home including, so far as the following data exists, its make, model, year, identifying number in the case of a vehicle or serial number in the case of a manufactured home, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle or manufactured home was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(5) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of the actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1; and

(6) any further information the department reasonably requires to identify the vehicle or manufactured home and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle or manufactured home.

Sec. 4. Minnesota Statutes 2020, section 168A.04, subdivision 4, is amended to read:

Subd. 4. **Vehicle last registered out of state.** If the application refers to a vehicle last previously registered in another state or country, the application ~~shall~~ must contain or be accompanied by:

(1) any certificate of title issued by the other state or country;

(2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(4) ~~with respect to vehicles subject to section 325F.6641,~~ whether the vehicle sustained damage by collision or other occurrence ~~which exceeded 70 percent of actual cash value~~ that meets the disclosure requirements under section 325F.6641, subdivision 1. Damage, for the purpose of ~~this~~ the calculation under this clause, does not include the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

Sec. 5. Minnesota Statutes 2020, section 168A.05, subdivision 3, is amended to read:

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department ~~shall~~ must contain:

(1) the date issued;

(2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;

(3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;

(4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;

(5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(6) the title number assigned to the vehicle;

(7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(9) if applicable, one or more of the following:

(i) with respect to a vehicle subject to sections ~~325F.6641~~ 168A.151 and 325F.6642, the appropriate ~~term~~ brand "flood damaged," ~~"rebuilt,"~~ "salvage," "prior salvage," or "reconstructed";

~~(10)~~ (ii) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the ~~term~~ brand "hazardous waste contaminated vehicle"; and

~~(11)~~ (iii) with respect to a vehicle subject to section 325F.665, the ~~term~~ brand "lemon law vehicle"; and

~~(12)~~ (10) any other data the department prescribes.

(b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Sec. 6. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage ~~titles~~ and prior salvage brands.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle, excluding a recovered intact vehicle, through payment of damages, the insurer ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a ~~salvage~~ certificate of title that bears a "salvage" brand or ~~shall~~ stamp the existing certificate of title with ~~the legend~~ "~~SALVAGE~~ salvage ~~CERTIFICATE OF TITLE~~" in a manner prescribed by the department; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand or stamp the existing certificate of title with "prior salvage" in a manner prescribed by the department.

(b) Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

~~(b)~~ (c) Except as provided in section 168A.11, subdivision 1, ~~A~~ a person ~~shall~~ must immediately apply for a ~~salvage~~ certificate of title that bears a "salvage" brand if the person acquires a damaged late-model or high-value vehicle ~~with an out-of-state title and the vehicle~~ that:

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

(2) ~~is a vehicle for which the~~ will incur a cost of repairs that exceeds the value of the damaged vehicle; ~~or~~

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

(4) bears the brand "damaged," "repairable," "salvage," or any similar term on the certificate of title.

(d) Except as provided in section 168A.11, subdivision 1, a person must immediately apply for a certificate of title that bears a "prior salvage" brand if the person acquires a damaged vehicle and:

(1) a "salvage" brand is not required under paragraph (c); and

(2) the vehicle:

(i) bears the brand "damaged," "repairable," "salvage," "rebuilt," "reconditioned," or any similar term on the certificate of title; or

(ii) had a salvage certificate of title or brand issued at any time in the vehicle's history by any other jurisdiction.

~~(c)~~ (e) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a ~~salvage~~ certificate of title~~.~~ that bears a "salvage" brand; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand.

Sec. 7. Minnesota Statutes 2020, section 168A.152, subdivision 1, is amended to read:

Subdivision 1. **Certificate of inspection.** (a) A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp authorizes the holder to possess, transport, and transfer ownership in a vehicle. A ~~salvage~~ certificate of title that bears a "salvage" brand or stamp does not authorize the holder to register a vehicle. ~~A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless~~

(b) For a late-model or high-value vehicle with a certificate of title that bears a "salvage" brand or stamp, the commissioner must not issue a certificate of title that bears a "prior salvage" brand unless the application for title is accompanied by a certification of inspection in the form and content specified by the department ~~accompanies the application for a certificate of title~~.

Sec. 8. Minnesota Statutes 2020, section 168A.152, subdivision 1a, is amended to read:

Subd. 1a. **Duties of salvage vehicle purchaser.** No salvage vehicle purchaser shall possess or retain a salvage vehicle which does not have a ~~salvage~~ certificate of title that bears a "salvage" or "prior salvage" brand or stamp. The salvage vehicle purchaser ~~shall~~ must display the ~~salvage~~ certificate of title upon the request of any appropriate public authority.

Sec. 9. Minnesota Statutes 2020, section 325F.662, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for a used motor vehicle:

(1) sold for a total cash sale price of less than $3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) with an engine designed to use diesel fuel;

(3) with a gross weight, as defined in section 168.002, subdivision 13, in excess of 9,000 pounds;

(4) that has been custom-built or modified for show or for racing;

(5) that is eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) that has been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) that has 75,000 miles or more at time of sale;

(8) that has not been manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto; or

(9) that has been issued a ~~salvage~~ certificate of title that bears a "salvage" brand or stamp under section 168A.151.

Sec. 10. Minnesota Statutes 2020, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF VEHICLE DAMAGE.

Subdivision 1. **Prior damage disclosure.** (a) If a ~~late-model~~ vehicle~~, as defined in section 168A.01, subdivision 8a,~~ has sustained damage by collision or other occurrence which exceeds 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar ~~shall revise~~ must design the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. ~~If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.~~

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

Subd. 2. **~~Form of~~ Disclosure requirements.** (a) If a motor vehicle dealer licensed under section 168.27 offers a vehicle for sale in the course of a sales presentation to any prospective buyer the dealer must provide a written disclosure, and an oral disclosure except for sales performed online, of:

(1) prior vehicle damage as required under subdivision 1;

(2) the existence or requirement of any title brand under sections 168A.05, subdivision 3, 168A.151, 325F.6642, or 325F.665, subdivision 14, if the dealer has actual knowledge of the brand; and

(3) if a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom dashboard while parked on the dealer's lot.

(b) If a person receives a flood disclosure as described in paragraph (a), clause (3), whether from a motor vehicle dealer or another seller, and subsequently offers that vehicle for sale, the person must provide the same disclosure to any prospective subsequent buyer.

(c) Written disclosure under this subdivision must be signed by the buyer and maintained in the motor vehicle dealer's sales file in the manner prescribed by the registrar of motor vehicles.

(d) The disclosure required in ~~this section~~ subdivision 1 must be made in substantially the following form: "To the best of my knowledge, this vehicle has ..... has not ..... sustained damage in excess of 80 percent actual cash value."

Sec. 11. Minnesota Statutes 2020, section 325F.6642, is amended to read:

325F.6642 TITLE BRANDING.

Subdivision 1. **Flood damage.** If the application for title and registration indicates that the vehicle has been classified as a total loss ~~vehicle~~ because of water or flood damage, or that the vehicle bears a "flood damaged" or similar brand, the registrar of motor vehicles ~~shall~~ must record the ~~term~~ brand "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2. ~~**Total loss**~~ **Salvage vehicles.** (a) Upon transfer and application for title to all ~~total loss~~ vehicles for which the "salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles ~~shall~~ must (1) record the ~~term~~ brand "~~prior~~ salvage" on the first ~~Minnesota~~ certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent ~~Minnesota~~ certificates of title ~~used~~ issued for that vehicle.

(b) Notwithstanding paragraph (a), a "prior salvage" brand is not required for a recovered intact vehicle, as defined in section 168A.01, subdivision 16b.

~~Subd. 3. **Out-of-state vehicles.** (a) Upon transfer and application for title of all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "prior salvage" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

~~(b) The registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued.~~

~~(c) For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.~~

~~(d) the registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle that had a salvage certificate of title issued at any time in the vehicle's history by any other jurisdiction.~~

Subd. 2a. **Prior salvage.** Upon application for title to all vehicles for which the "prior salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles must record the brand "prior salvage" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2b. **Certain damaged vehicles.** Upon transfer and application for title to a vehicle that is subject to section 325F.6641, subdivision 1, the registrar of motor vehicles must (1) record the brand "salvage" on the first certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent certificates of title issued for that vehicle.

Subd. 4. **Reconstructed vehicles.** For vehicles that are reconstructed within the meaning of section 168A.15, the registrar ~~shall~~ must record the ~~term~~ brand "reconstructed" on the certificate of title and all subsequent certificates of title.

Subd. 5. **Manner of branding.** ~~The~~ Each brand designation ~~of "flood damaged," "rebuilt," "prior salvage," or "reconstructed"~~ under this section or section 168A.05, subdivision 3, 168A.151, or 325F.665, subdivision 14, required on a certificate of title ~~shall~~ must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a ~~color~~ format different from all other writing on the certificate of title.

~~Subd. 6. **Total loss vehicle; definition.** For the purposes of this section, "total loss vehicle" means a vehicle damaged by collision or other occurrence, for which a salvage certificate of title has been issued. Total loss vehicle does not include a stolen and recovered vehicle verified by the insurer who declared the vehicle to be a total loss vehicle unless there is more than minimal damage to the vehicle as determined by the registrar.~~

~~Subd. 7. **Dealer disclosure.** If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.~~

~~Subd. 8. **Flood damage; dealer lots.** If a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom of the dashboard while parked on the dealer's lot, the dealer must disclose that fact in writing to any buyer and must orally disclose that fact in the course of a sales presentation to any prospective buyer. The buyer must also disclose the existence of the flood damage in writing to any subsequent buyer.~~

Sec. 12. Minnesota Statutes 2020, section 325F.665, subdivision 14, is amended to read:

Subd. 14. **Title branding.** (a) Upon transfer and application for title of all vehicles subject to this section, the registrar of motor vehicles shall record the term "lemon law vehicle" on the certificate of title and all subsequent certificates of title for that vehicle.

(b) For vehicles with out-of-state titles that bear the term "lemon law vehicle," or any similar term, the registrar of motor vehicles shall record the term "lemon law vehicle" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

~~(c) The designation of "lemon law vehicle" on a certificate of title must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 168A.01, subdivision 17a; and 325F.6644, are repealed.

Sec. 14. **EFFECTIVE DATE.**

This act is effective January 1, 2023.

Presented to the governor May 17, 2022