

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2384

03/08/2016 Authored by Rosenthal

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

1.1 A bill for an act
1.2 relating to vehicles; modifying the requirements for salvage titles; amending
1.3 Minnesota Statutes 2014, sections 168A.04, subdivisions 1, 4; 168A.151,
1.4 subdivision 1; 325F.6641.

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

1.6 Section 1. Minnesota Statutes 2014, section 168A.04, subdivision 1, is amended to read:

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

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

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

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

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

1.22 (5) with respect to vehicles subject to section 325F.6641, whether the vehicle
1.23 sustained damage by collision or other occurrence which exceeded ~~70~~ 50 percent of the
1.24 actual cash value; 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. 2. Minnesota Statutes 2014, 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 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~~ 50 percent of actual cash value. Damage, for the purpose of this calculation, 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. 3. Minnesota Statutes 2014, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. 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) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged late-model or high-value vehicle with an out-of-state title and the vehicle:

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

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

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

(c) A self-insured owner of a late-model or high-value vehicle that sustains damage by collision or other occurrence which exceeds ~~80~~ 50 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Sec. 4. Minnesota Statutes 2014, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF VEHICLE DAMAGE.

Subdivision 1. **Damage.** (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~~ 50 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 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.** The disclosure required in this section 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~~ 50 percent actual cash value."