168A.23 SUSPENSION OR REVOCATION OF CERTIFICATE.

Subdivision 1. **Grounds.** 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.

Subd. 2. **Effect on validity of security interest.** Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

Subd. 3. **Delivery of certificate to department.** When the department suspends or revokes a certificate of title, the owner or person in possession of it shall immediately upon receiving notice of the suspension or revocation mail or deliver the certificate to the department.

Subd. 4. **Seizure.** The department may seize and impound any certificate of title which has been suspended or revoked.

Subd. 5. **Effect on good-faith purchaser.** Suspension or revocation for failure to pay the sales tax on motor vehicles as required by chapter 297B shall not affect the validity of a subsequent transfer to a purchaser relying in good faith on the assignment of a suspended or revoked title if in fact the certificate of title was not surrendered to or seized by the department pursuant to subdivision 4, and the department shall not refuse to issue a new certificate of title to an applicant who is a good-faith purchaser for value in such circumstances.

History: *1971 c 162 s 23; 1979 c 126 s 1; 1989 c 148 s 15; 1994 c 587 art 2 s 21*