

1.1 A bill for an act  
1.2 relating to motor vehicles; amending various requirements governing motor vehicle  
1.3 titles and disclosure; making technical and clarify changes; appropriating money;  
1.4 amending Minnesota Statutes 2020, sections 168A.01, subdivision 17b; 168A.04,  
1.5 subdivisions 1, 4; 168A.05, subdivision 3; 168A.151, subdivision 1; 168A.152,  
1.6 subdivisions 1, 1a; 325F.6641; 325F.6642; repealing Minnesota Statutes 2020,  
1.7 sections 168A.01, subdivision 17a; 325F.6642, subdivisions 7, 8.

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

1.9 Section 1. Minnesota Statutes 2020, section 168A.01, subdivision 17b, is amended to  
1.10 read:

1.11 Subd. 17b. **Salvage vehicle.** "Salvage vehicle" means a vehicle that has a salvage  
1.12 certificate of title that bears a "salvage" brand.

1.13 Sec. 2. Minnesota Statutes 2020, section 168A.04, subdivision 1, is amended to read:

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

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

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

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

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

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

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

2.14 Sec. 3. Minnesota Statutes 2020, section 168A.04, subdivision 4, is amended to read:

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

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

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

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

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

3.1 Sec. 4. Minnesota Statutes 2020, section 168A.05, subdivision 3, is amended to read:

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

3.4 (1) the date issued;

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

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

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

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

3.15 (6) the title number assigned to the vehicle;

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

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

3.22 (9) one or more of the following:

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

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

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

3.30 ~~(12)~~ (10) any other data the department prescribes.

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

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

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

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

4.6 Sec. 5. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

4.7 Subdivision 1. **Salvage titles and insurance loss brands.** (a) When an insurer, licensed  
4.8 to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle  
4.9 through payment of damages, the insurer ~~shall~~ must:

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

4.14 (2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of  
4.15 title that bears an "insurance loss" brand.

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

4.18 ~~(b)~~ (c) A person ~~shall~~ must immediately apply for a salvage certificate of title that bears  
4.19 a "salvage" brand if the person acquires a damaged ~~late-model or high-value~~ vehicle with  
4.20 an out-of-state title and the vehicle:

4.21 (1) is a late-model or high-value vehicle that came into the state unrepaired, and:

4.22 ~~(1) is a vehicle that~~ (i) the vehicle was acquired by an insurer through payment of  
4.23 damages; or

4.24 ~~(2) is a vehicle for which the~~ (ii) the cost of repairs ~~exceeds~~ will exceed the value of the  
4.25 damaged vehicle; ~~or~~

4.26 ~~(3)~~ (2) has an out-of-state salvage certificate of title as proof of ownership; or

4.27 (3) has the brand "damaged," "salvage," or any similar term on the certificate of title.

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

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

5.3 (2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of  
5.4 title that bears an "insurance loss" brand.

5.5 Sec. 6. Minnesota Statutes 2020, section 168A.152, subdivision 1, is amended to read:

5.6 Subdivision 1. **Certificate of inspection.** A salvage certificate of title that bears a  
5.7 "salvage" brand authorizes the holder to possess, transport, and transfer ownership in a  
5.8 vehicle. A salvage certificate of title that bears a "salvage" brand does not authorize the  
5.9 holder to register a vehicle. A certificate of title without the "salvage" brand must not be  
5.10 issued for a vehicle for which a salvage certificate of title that bears a "salvage" brand has  
5.11 been issued unless a certification of inspection in the form and content specified by the  
5.12 department accompanies the application for a certificate of title.

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

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

5.18 Sec. 8. Minnesota Statutes 2020, section 325F.6641, is amended to read:

5.19 **325F.6641 DISCLOSURE OF VEHICLE DAMAGE.**

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

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

6.1 ~~section 168.27, the disclosure required by this section must be made orally by the dealer to~~  
 6.2 ~~the prospective buyer in the course of the sales presentation.~~

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

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

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

6.10 (2) the existence or requirement of any title brand under sections 168A.05, subdivision  
 6.11 3, 168A.151, 325F.6641, 325F.6642, or 325F.665, subdivision 14; and

6.12 (3) whether the vehicle has been submerged or flooded above the bottom of the dashboard  
 6.13 while part of a motor vehicle dealer's inventory and parked on the dealer's lot.

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

6.17 (c) Written disclosure under this subdivision must be made and documented in the  
 6.18 manner prescribed by the registrar of motor vehicles.

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

6.22 Sec. 9. Minnesota Statutes 2020, section 325F.6642, is amended to read:

6.23 **325F.6642 TITLE BRANDING.**

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

6.28 Subd. 2. **~~Total Loss~~ Salvage vehicles.** Upon transfer and application for title to all ~~total~~  
 6.29 ~~loss~~ salvage vehicles, the registrar of motor vehicles ~~shall~~ must record the ~~term~~ brand "prior  
 6.30 salvage" on the first Minnesota certificate of title and all subsequent Minnesota certificates  
 6.31 of title ~~used~~ issued for that vehicle.

7.1 Subd. 2a. **Insurance loss vehicles.** Upon application for title to all vehicles for which  
7.2 the brand "insurance loss" is required under section 168A.151, subdivision 1, the registrar  
7.3 of motor vehicles must record the brand "insurance loss" on the first Minnesota certificate  
7.4 of title and all subsequent Minnesota certificates of title issued for that vehicle.

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

7.10 (b) The registrar ~~shall mark~~ must record the brand "prior salvage" on the first Minnesota  
7.11 certificate of title and all subsequent certificates of title issued for any vehicle ~~which came~~  
7.12 ~~into the state unrepaired and~~ for which a salvage certificate of title was issued and the  
7.13 requirements under section 168A.152 are met.

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

7.17 (d) Subject to section 168A.151, subdivision 1, paragraph (c), the registrar ~~shall mark~~  
7.18 must record the brand "prior salvage" on the first Minnesota certificate of title and all  
7.19 subsequent certificates of title issued for any vehicle that had a salvage certificate of title  
7.20 or brand issued at any time in the vehicle's history by any other jurisdiction.

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

7.24 Subd. 5. **Manner of branding.** The brand designation of "flood damaged," "rebuilt,"  
7.25 "prior salvage," "insurance loss," or "reconstructed" on a certificate of title ~~shall~~ must be  
7.26 made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different  
7.27 from all other writing on the certificate of title.

7.28 Subd. 6. ~~Total-loss Salvage vehicle; definition.~~ For the purposes of this section, ~~"total~~  
7.29 ~~loss salvage vehicle"~~ means a vehicle damaged by collision or other occurrence, for which  
7.30 ~~a salvage certificate of title has been issued. Total loss vehicle~~ has the meaning given in  
7.31 section 168A.01, subdivision 17b, except that the term does not include a stolen and  
7.32 recovered vehicle verified by the insurer who declared the vehicle to be a ~~total-loss salvage~~  
7.33 vehicle unless there is more than minimal damage to the vehicle as determined by the  
7.34 registrar.

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

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

8.10 Sec. 10. **APPROPRIATION; MOTOR VEHICLE TITLE ADMINISTRATION.**

8.11 \$..... in fiscal year 2022 is appropriated from the vehicle services operating account in  
8.12 the special revenue fund to the commissioner of public safety to implement the requirements  
8.13 of this act. This is a onetime appropriation.

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

8.15 Sec. 11. **REPEALER.**

8.16 Minnesota Statutes 2020, sections 168A.01, subdivision 17a; and 325F.6642, subdivisions  
8.17 7 and 8, are repealed.