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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 1756

March 7, 2007

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The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice

March 22, 2007

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Transportation Finance Division

1.1 A bill for an act
1.2 relating to public safety; regulating salvage certificates of title and certain
1.3 vehicles being dismantled or destroyed; requiring electronic notification;
1.4 amending Minnesota Statutes 2006, sections 168A.151, subdivision 1; 168A.153.

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

1.6 Section 1. Minnesota Statutes 2006, section 168A.151, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. Salvage titles. (a) When an insurer, licensed to conduct business in
1.9 Minnesota, acquires ownership of a late-model or high-value vehicle through payment
1.10 of damages, the insurer shall immediately apply for a salvage certificate of title or shall
1.11 stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF
1.12 TITLE" in a manner prescribed by the department. Within 48 hours of taking possession
1.13 of a vehicle through payment of damages, an insurer must notify the department in a
1.14 manner prescribed by the department.

1.15 (b) ~~Any person who acquires a damaged motor vehicle with an out-of-state title and~~
1.16 ~~the cost of repairs exceeds the value of the damaged vehicle or a motor vehicle with an~~
1.17 ~~out-of-state salvage title or certificate, as proof of ownership, shall immediately apply for~~
1.18 ~~a salvage certificate of title.~~ A person shall immediately apply for a salvage certificate
1.19 of title if the person acquires a damaged late-model or high-value motor vehicle with an
1.20 out-of-state title and the vehicle:

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

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

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

2.1 (c) A self-insured owner of a late-model or high-value vehicle who sustains damage  
 2.2 by collision or other occurrence which exceeds 70 percent of its actual cash value  
 2.3 shall immediately apply for a salvage certificate of title. Damage, for the purpose of  
 2.4 this calculation, does not include the actual cost incurred to repair, replace, or reinstall  
 2.5 inflatable safety restraints and other vehicle components that must be replaced due to the  
 2.6 deployment of the inflatable safety restraints.

2.7 Sec. 2. Minnesota Statutes 2006, section 168A.153, is amended to read:

2.8 **168A.153 REPORT OF VEHICLE RECEIPT; ~~SURRENDER OF~~**  
 2.9 **CERTIFICATE.**

2.10 Subdivision 1. **Older model vehicle.** A dealer who buys an older model vehicle  
 2.11 to be dismantled or destroyed shall report to the department within 30 days including  
 2.12 the vehicle's license plate number and identification number, and the seller's name and  
 2.13 driver's license number.

2.14 Subd. 2. **Late-model or high-value vehicle.** A dealer who buys a late-model or  
 2.15 high-value vehicle to be dismantled or destroyed shall notify the secured party, if any, and  
 2.16 ~~then surrender the certificate of title and a properly completed application for a salvage~~  
 2.17 ~~certificate of title to the department within ten days~~ the commissioner in the manner  
 2.18 prescribed in subdivision 3. The dealer must then properly destroy the certificate of title.

2.19 Subd. 3. **Notification on vehicle to be dismantled or destroyed; service fee.**  
 2.20 Within the time frames prescribed in subdivisions 1 and 2 of acquiring a vehicle titled and  
 2.21 registered in Minnesota, a dealer shall notify the registrar that the dealership purchased the  
 2.22 vehicle to be dismantled or destroyed. The notification must be made electronically as  
 2.23 prescribed by the registrar. The dealer may contract this service to a deputy registrar and  
 2.24 the registrar may charge a fee not to exceed \$7 per transaction to provide this service.