

**CHAPTER 343—S.F.No. 3075**

*An act relating to motor vehicles; providing for payment of sales tax on a motor vehicle sold in violation of dealer licensing requirements; abolishing misdemeanor penalty for committing fraud in an application for certificate of title to a motor vehicle; amending Minnesota Statutes 2000, sections 168A.30, subdivision 2; 297B.035, subdivision 3.*

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

Section 1. Minnesota Statutes 2000, section 168A.30, subdivision 2, is amended to read:

Subd. 2. **WILLFUL OR FRAUDULENT ACT OR FAILURE TO ACT; MISDEMEANORS.** A person is guilty of a misdemeanor who:

(1) with fraudulent intent permits another, not entitled thereto, to use or have possession of a certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the department within the time required by sections 168A.01 to 168A.31;

(3) willfully fails to deliver to the transferee a certificate of title within ten days after the time required by sections 168A.01 to 168A.31;

(4) ~~commits a fraud in any application for a certificate of title;~~

(5) fails to notify the department of any fact as required by sections 168A.01 to 168A.31, except for the facts included in the notice of sale described in section 168A.10, subdivision 1; or

(6) (5) willfully violates any other provision of sections 168A.01 to 168A.31 except as otherwise provided in sections 168A.01 to 168A.31.

Sec. 2. Minnesota Statutes 2000, section 297B.035, subdivision 3, is amended to read:

Subd. 3. **SALE IN VIOLATION OF LICENSING REQUIREMENT.** Motor vehicles sold by a ~~new motor vehicle dealer~~ in contravention of section 168.27, subdivision 2, paragraph (a), 3, 6, or 10, paragraph (a), clause (1)(ii), shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the ~~dealer~~ seller shall be required to pay the excise tax due on the purchase of those vehicles. The sale by a lessor of a new motor vehicle under lease within 120 days of the commencement of the lease is deemed a sale in contravention of section 168.27, subdivision 10, paragraph (a), clause (1)(ii), unless the lessor holds a valid contract or franchise with the manufacturer or distributor of the vehicle. Notwithstanding section 297B.11, the rights of a dealer to appeal any amounts owed by the dealer under this subdivision are governed exclusively by the hearing procedure under section 168.27, subdivision 13.

**EFFECTIVE DATE.** This section is effective for sales and purchases occurring after June 30, 2002.

Presented to the governor April 15, 2002

Signed by the governor April 17, 2002, 9:36 a.m.

New language is indicated by underline, deletions by ~~strikeout~~.