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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 964

- 02/10/2021 Authored by Hornstein
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
- 03/18/2021 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/17/2021 Pursuant to Rule 4.20, returned to the Committee on Transportation Finance and Policy

1.1 A bill for an act

1.2 relating to motor vehicles; making various policy changes to title fee transfers,

1.3 mileage disclosures, driver's license photograph variances, deputy registrar fees,

1.4 and vehicle registration tax due dates; amending Minnesota Statutes 2020, sections

1.5 168.301, subdivision 1; 168.31, subdivision 4; 168A.11, subdivisions 1, 2; 171.071,

1.6 by adding a subdivision; 325E.15.

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

1.8 Section 1. Minnesota Statutes 2020, section 168.301, subdivision 1, is amended to read:

1.9 Subdivision 1. **Surrender plates and credit tax paid.** (a) On transferring a motor

1.10 vehicle, the transferor shall surrender the registration plates and assign the registration tax

1.11 paid to the credit of the transferee.

1.12 (b) A fee of \$10 shall be charged on each transfer of title within the state, other than

1.13 transfers for resale purposes, of every motor vehicle weighing more than 1,000 pounds, as

1.14 specified in section 115A.908.

1.15 Sec. 2. Minnesota Statutes 2020, section 168.31, subdivision 4, is amended to read:

1.16 Subd. 4. **Installments; registration generally.** (a) If the tax for a vehicle assessed under

1.17 section 168.013, subdivision 1c, 1d, 1e, or 1g, amounts to more than \$400, the owner may

1.18 pay the tax by installments.

1.19 (b) The owner shall tender with the application for registration one-third of the annual

1.20 tax due or \$400, whichever is greater, plus any penalties or arrears, plus a fee of \$10. Instead

1.21 of this fee, the applicant may furnish a bond, bank letter of credit, or certificate of deposit

1.22 approved by the registrar of motor vehicles, for the total of the tax still due. The amount of

1.23 the bond, letter of credit, or certificate of deposit may include any penalties assessed. The

2.1 bond, letter of credit, or certificate of deposit must be for the benefit of the state for monetary
2.2 loss caused by failure of the vehicle owner to pay delinquent license fees and penalties.

2.3 (c) The remainder of the tax due must be paid in two equal installments; The due date
2.4 of the first installment is ~~the first day of the fifth month of the registration period for which~~
2.5 ~~the tax is assessed~~ July 1, and the second installment is due ~~on the first day of the ninth~~
2.6 ~~month of the registration period for which the tax is assessed~~ November 1.

2.7 (d) When the applicant elects to pay the administrative fee, the registrar shall issue to
2.8 the applicant validation stickers indicating the expiration date of a registration. When the
2.9 applicant elects to furnish a bond, bank letter, or letter of deposit, the registrar shall issue
2.10 regular validation stickers for the registration year.

2.11 (e) If an owner of a vehicle fails to pay an installment on or before its due date, the
2.12 vehicle must not be used on the public streets or highways in this state until the installment
2.13 or installments of the tax remaining due on the vehicle have been paid in full for the licensed
2.14 year together with a penalty at the rate of \$1 per day for the remainder of the month in which
2.15 the balance of the tax becomes due and \$4 a month for each succeeding month or fraction
2.16 of a month during which the balance of the tax remains unpaid. Upon the payment of the
2.17 balance of the tax and the penalties, the registrar shall issue a registration certificate to the
2.18 owner of the vehicle in the manner provided by law. The registrar shall deny installment
2.19 payment privileges provided in this subdivision in the subsequent year to any owner on any
2.20 or all vehicles of the owner who during the current year fails to pay any installment due
2.21 within one month after the due date.

2.22 Sec. 3. Minnesota Statutes 2020, section 168A.11, subdivision 1, is amended to read:

2.23 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who
2.24 buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring
2.25 the vehicle to another person, other than by the creation of a security interest, the dealer
2.26 shall promptly execute the assignment and warranty of title by a dealer, showing the names
2.27 and addresses of the transferee and of any secured party holding a security interest created
2.28 or reserved at the time of the resale, and the date of the security agreement in the spaces
2.29 provided therefor on the certificate of title or secure reassignment.

2.30 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the
2.31 dealer need not register the vehicle but shall pay one month's registration tax. If a dealer
2.32 elects to apply for a certificate of title on a vehicle held for resale, the department shall not
2.33 place any legend on the title that no motor vehicle sales tax was paid by the dealer, but may
2.34 indicate on the title whether the vehicle is a new or used vehicle.

3.1 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer
3.2 shall also, in the space provided therefor on the certificate of title or secure reassignment,
3.3 state the true cumulative mileage registered on the odometer or that the exact mileage is
3.4 unknown if the odometer reading is known by the transferor to be different from the true
3.5 mileage.

3.6 (d) The transferee shall complete the application for title section on the certificate of
3.7 title or separate title application form prescribed by the department. The dealer shall mail
3.8 or deliver the certificate to the registrar or deputy registrar with the transferee's application
3.9 for a new certificate and appropriate taxes and fees, within ten business days.

3.10 (e) With respect to vehicles sold to buyers who will remove the vehicle from this state,
3.11 the dealer shall remove any license plates from the vehicle, issue a 31-day temporary permit
3.12 pursuant to section 168.091, and notify the registrar within 48 hours of the sale that the
3.13 vehicle has been removed from this state. The notification must be made in an electronic
3.14 format prescribed by the registrar. The dealer may contract with a deputy registrar for the
3.15 notification of sale to an out-of-state buyer. The deputy registrar may charge a fee ~~not to~~
3.16 ~~exceed~~ of \$7 per transaction to provide this service.

3.17 Sec. 4. Minnesota Statutes 2020, section 168A.11, subdivision 2, is amended to read:

3.18 Subd. 2. **Notification on vehicle held for resale; service fee.** Within 48 hours of
3.19 acquiring a vehicle titled and registered in Minnesota, a dealer shall notify the registrar that
3.20 the dealership is holding the vehicle for resale. The notification must be made electronically
3.21 as prescribed by the registrar. The dealer may contract this service to a deputy registrar and
3.22 the registrar may charge a fee ~~not to exceed~~ of \$7 per transaction to provide this service.

3.23 Sec. 5. Minnesota Statutes 2020, section 171.071, is amended by adding a subdivision to
3.24 read:

3.25 Subd. 4. **Variance for homebound individuals.** (a) Notwithstanding section 171.07 or
3.26 Minnesota Rules, part 7410.1810, the commissioner may grant a variance from the
3.27 photograph requirements for a noncompliant identification card if (1) the individual is
3.28 homebound as defined in paragraph (b); (2) the individual has submitted proof of homebound
3.29 status; and (3) the department has a photograph of the applicant on file that was taken within
3.30 the last four years or during the most recent renewal cycle or the applicant has submitted a
3.31 photograph to the department that meets the requirements of section 171.07, Minnesota
3.32 Rules, part 7410.1810, subpart 1, and other technical requirements established by the
3.33 commissioner such as background color and electronic file size to ensure the image can be

4.1 used on a credential and conforms with images taken by the department. Applicants granted
4.2 a photograph variance under this subdivision are not required to appear in person to have
4.3 a new photograph taken.

4.4 (b) For purposes of this subdivision, "homebound" means the individual is unable to
4.5 leave the individual's residence due to a medical, physical, or mental health condition or
4.6 infirmity as documented in writing by a physician, case worker, or social worker.

4.7 Sec. 6. Minnesota Statutes 2020, section 325E.15, is amended to read:

4.8 **325E.15 TRANSFER OF MOTOR VEHICLE; MILEAGE DISCLOSURE.**

4.9 No person shall transfer a motor vehicle without disclosing ~~in writing~~ to the transferee
4.10 the true mileage registered on the odometer reading or that the actual mileage is unknown
4.11 if the odometer reading is known by the transferor to be different from the true mileage.
4.12 The regulations contained in Code of Federal Regulations, title 49, sections 580.1 to 580.17,
4.13 ~~as amended through October 1, 1998, implementing title IV of the Federal Motor Vehicle~~
4.14 ~~Information and Cost Savings Act~~ that implement odometer disclosure requirements and
4.15 prescribe the manner in which electronic or written disclosure must be made in this state
4.16 ~~and,~~ are adopted by reference. No transferor shall violate any regulations adopted under
4.17 this section or knowingly give a false statement to a transferee in making any disclosure
4.18 required by the regulations.

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