

## CHAPTER 168A

### MOTOR VEHICLE TITLES

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#### 168A.01 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 168A.01 to 168A.31, the terms defined in this section have the meanings given them, except when the context otherwise requires.

Subd. 2. **Dealer.** "Dealer" has the meaning given it in section 168.27, subdivision 1.

Subd. 3. **Department.** "Department" means the registrar of motor vehicles of this state.

Subd. 4. **Essential parts.** "Essential parts" means all integral and body parts of a vehicle of a type for which a certificate of title is required hereunder, the removal, alteration, or substitution of which would tend to conceal the identity of the vehicle or substantially alter its appearance, model, type or mode of operation.

Subd. 5. **Established place of business.** "Established place of business" means the place actually occupied either continuously or at regular periods by a dealer or manufacturer where books and records of business are kept and a large share of business is transacted.

Subd. 6. **Out-of-state vehicle.** "Out-of-state vehicle" means every vehicle of a type for which a certificate of title is required hereunder brought into this state from another state, territory, or country other than in the ordinary course of business by or through a manufacturer or dealer and not registered in this state.

Subd. 6a. **High value vehicle.** "High value vehicle" means a vehicle manufactured six or more years before the start of the current model year that had an actual cash value in excess of \$5,000 before being damaged, or a vehicle with a manufacturer's rating of over 26,000 pounds gross vehicle weight.

Subd. 7. **Identifying number.** "Identifying number" means the numbers, and letters, if any, on a vehicle designated by the department for the purpose of identifying the vehicle.

Subd. 8. **Implement of husbandry.** "Implement of husbandry" means every vehicle designed and adapted exclusively for agricultural, horticultural, or livestock raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

Subd. 8a. **Late model vehicle.** "Late model vehicle" means a vehicle manufactured in the current model year or the five model years immediately preceding the current model year.

**Subd. 8b. Junking certificate.** "Junking certificate" means a receipt issued by the department's driver and vehicle services division when a vehicle is declared unrepairable under section 168A.151.

**Subd. 9. Mail.** "Mail" means to deposit in the United States mail, properly addressed and with postage prepaid.

**Subd. 10. Manufacturer.** "Manufacturer" means every person engaged in the business of constructing or assembling vehicles of a type for which a certificate of title is required hereunder.

**Subd. 11. Manufacturer's or importer's certificate of origin.** "Manufacturer's or importer's certificate of origin" means a certificate over the authorized signature of the manufacturer or importer of a vehicle, describing and identifying the vehicle, giving the name and address of the person to whom the vehicle is first sold by the manufacturer or importer, and containing assignments, duly executed, assigning the same to an applicant for a certificate of title on the vehicle in this state.

**Subd. 12. Nonresident.** "Nonresident" means every person who is not a resident of this state.

**Subd. 12a. Older model vehicle.** "Older model vehicle" means a vehicle manufactured in the sixth model year immediately preceding the current model year or earlier that is not a high value vehicle.

**Subd. 13. Owner.** "Owner" means a person, other than a secured party, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

**Subd. 14. Person.** "Person" means an individual, firm, copartnership, association, corporation, or governmental organization.

**Subd. 15. Previously registered vehicle.** "Previously registered vehicle" means a vehicle registered in this state on October 1, 1972 or a vehicle whose last registration before October 1, 1972 was in this state.

**Subd. 16. Reconstructed vehicle.** "Reconstructed vehicle" means a vehicle of a type for which a certificate of title is required hereunder materially altered from its original construction by the removal, addition, or substitution of essential parts, new or used.

**Subd. 17. Registration.** "Registration" means the registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of vehicles.

**Subd. 17a. Salvage title.** "Salvage title" means a certificate of title that is issued to a vehicle declared a repairable total loss vehicle under section 168A.151 and includes an existing certificate of title that has been stamped with the legend "salvage certificate of title" in accordance with section 168A.151.

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

**Subd. 18. Secured party.** "Secured party" means a secured party as defined in section 336.9-105 (1)(m) having a security interest in a vehicle.

**Subd. 19. Security agreement.** "Security agreement" means a security agreement as defined in section 336.9-105 (1) (l).

**Subd. 20. Security interest.** "Security interest" means a security interest as defined in section 336.1-201(37). A security interest is "perfected" when it is valid against third parties generally, subject only to specific statutory exception.

**Subd. 21. Special mobile equipment.** "Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: Ditch digging apparatus, well boring apparatus, moving dollies, sawing machines, corn shellers, and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term

does not include travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

**Subd. 22. Specially constructed vehicle.** "Specially constructed vehicle" means every vehicle of a type for which a certificate of title is required hereunder not originally constructed under a distinctive name, make, model, or type by a generally recognized manufacturer of vehicles and not materially altered from its original construction.

**Subd. 23. State.** "State" means a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a province of the Dominion of Canada.

**Subd. 24. Vehicle.** "Vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks, but including motorized bicycles as defined in section 168.011, subdivision 27.

**History:** 1971 c 162 s 1; 1977 c 214 s 5; 1979 c 50 s 17,18; 1986 c 444; 1988 c 496 s 12-17; 1989 c 342 s 13; 1993 c 93 s 1-3

## 168A.02 APPLICATION; REGISTRATION AND RENEWAL.

**Subdivision 1. Application for certificate of title.** Except as provided in section 168A.03, every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state shall make application to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause 3.

**Subd. 2. No vehicle registration without title.** The department shall not register or renew the registration of a vehicle for which a certificate of title is required unless a certificate of title has been issued to the owner or an application therefor has been delivered to and approved by the department.

**Subd. 3. Title certificate.** A certificate of title is required for a manufactured home, as defined in section 327.31, subdivision 6. In every certificate of title issued for a manufactured home, the department shall insert the following notice: THIS TITLE DESCRIBES A MANUFACTURED HOME NOT A MOTOR VEHICLE.

**History:** 1971 c 162 s 2; 1973 c 549 s 2; 1982 c 526 art 3 s 1; 1985 c 186 s 5; 1985 c 248 s 70; 1989 c 148 s 1

## 168A.03 EXEMPT VEHICLES.

No certificate of title need be obtained for:

- (1) a vehicle owned by the United States, unless it is registered in this state;
- (2) a vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used pursuant to section 168.27 or 168.28, or a vehicle used by a manufacturer solely for testing;
- (3) a vehicle owned by a nonresident and not required by law to be registered in this state;
- (4) a vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;
- (5) a vehicle moved solely by animal power;
- (6) an implement of husbandry;
- (7) special mobile equipment;
- (8) a self-propelled wheelchair or invalid tricycle;
- (9) a trailer having a gross weight of 4,000 pounds or less or a trailer designed primarily for agricultural purposes except recreational equipment or a manufactured home, both as defined in section 168.011, subdivisions 8 and 25;
- (10) a snowmobile.

**History:** 1971 c 162 s 3; 1981 c 365 s 9

**168A.04 FORM AND CONTENT OF APPLICATION.**

**Subdivision 1. Contents.** The application for the first certificate of title of a vehicle in this state shall be made by the owner to the department on the form prescribed by the department and shall contain:

- (1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;
- (2) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, and whether new or used;
- (3) the date of purchase by applicant, the name and address of the person from whom the vehicle was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;
- (4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;
- (5) with respect to vehicles subject to section 325F.6641, whether the vehicle sustained damage by collision or other occurrence which exceeded 70 percent of the actual cash value; and
- (6) any further information the department reasonably requires to identify the vehicle and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle.

**Subd. 2. Secured parties.** If the application refers to a vehicle purchased from a dealer it shall contain the name and address of any secured party holding a security interest created or reserved at the time of the sale and the date of the security agreement and be signed by the dealer as well as the owner, and the dealer shall within ten days mail or deliver the application and appropriate taxes to the department.

**Subd. 3. New vehicles; certificate of origin.** If the application refers to a new vehicle it shall be accompanied by a manufacturer's or importer's certificate of origin.

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

- (1) any certificate of title issued by the other state or country;
- (2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;
- (3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and
- (4) with respect to vehicles subject to section 325F.6641, whether the vehicle sustained damage by collision or other occurrence which exceeded 70 percent of actual cash value.

**Subd. 5. Specially constructed or reconstructed vehicle.** If the application refers to a specially constructed vehicle or a reconstructed vehicle, the application shall so state and shall contain or be accompanied by:

- (1) Any information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of security interests in it;
- (2) The certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires.

**History:** 1971 c 162 s 4; 1977 c 105 s 1; 1977 c 370 s 2; 1989 c 148 s 2; 1989 c 188 s 1,2; 1993 c 93 s 4,5

**168A.05 CERTIFICATE OF TITLE.**

**Subdivision 1. Filing of application; issuance of certificate.** The department shall file each application received, and when satisfied as to its genuineness and regularity and that the

applicant is entitled to the issuance of a certificate of title shall issue a certificate of title of the vehicle.

**Subd. 2. Record of certificates issued.** The department shall maintain a record of all certificates of title issued by it:

- (1) under a distinctive title number assigned to the vehicle;
- (2) by vehicle identifying number;
- (3) alphabetically, under the name of the owner.

Such record shall consist of the certificate of title, including the notations of all security interests recorded, assigned, terminated, or released and liens filed pursuant to a court order or by a public authority responsible for child support enforcement of which the department has notice, of duplicate certificates issued or applied for, and such other information as the department may deem proper.

**Subd. 3. Content of certificate.** Each certificate of title issued by the department shall contain:

- (1) the date issued;
- (2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;
- (3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;
- (4) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;
- (5) the title number assigned to the vehicle;
- (6) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;
- (7) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;
- (8) with respect to vehicles subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed"; and
- (9) any other data the department prescribes.

**Subd. 4. Vehicles last registered out of state.** Unless a bond is filed as provided in section 168A.07, subdivision 1, clause (2), a distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country, the laws of which do not require that secured parties be named on a certificate of title to perfect their security interests. The certificate shall contain the legend "This vehicle may be subject to an undisclosed lien" and may contain any other information the department prescribes. If no notice of a security interest in the vehicle is received by the department within four months from the issuance of the distinctive certificate of title, it shall, upon application and surrender of the distinctive certificate, issue a certificate of title in ordinary form.

**Subd. 5. Assignment and warranty of title forms.** The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and shall contain forms for applications for a certificate of title by a transferee, and the naming of a secured party, and shall include language necessary to implement section 325F.6641.

**Subd. 5a. Pollution control equipment disclosure.** The certificate of title shall contain a form for disclosure by the transferor of the condition of the vehicle's pollution control equipment as required by section 325E.0951. The disclosure form must be as prescribed by the registrar.

**Subd. 6. Evidentiary effect of certificate.** A certificate of title issued by the department is prima facie evidence of the facts appearing on it.

**Subd. 7. Judicial process relating to certificate or vehicle.** A certificate of title for a vehicle is not subject to garnishment, attachment, execution, or other judicial process, but

this subdivision does not prevent a lawful levy upon the vehicle or the lawful enforcement of an administrative lien or judgment debt or lien filed pursuant to a court order or by a public authority responsible for child support enforcement.

**Subd. 8. Liens filed for enforcement of child support.** This subdivision applies if the court or a public authority responsible for child support enforcement orders or directs the commissioner to enter a lien, as provided in section 518.551, subdivision 14. If a certificate of title is applied for by the owner, the department shall enter a lien on the title in the name of the state of Minnesota or in the name of the obligee in accordance with the notice. The lien on the title is subordinate to any bona fide purchase money security interest as defined in section 336.9-107 regardless of when the purchase money security interest is perfected. With respect to all other security interests, the lien is perfected as of the date entered on the title. The lien is subject to an exemption in the amount currently in effect under section 518.551, subdivision 14.

**History:** 1971 c 162 s 5; 1977 c 105 s 2; 1977 c 370 s 3; 1989 c 148 s 3,4; 1989 c 188 s 3,4; 1993 c 93 s 6,7; 1995 c 257 art 1 s 2-5

#### 168A.06 DELIVERY OF CERTIFICATE.

The certificate of title shall be mailed to the owner named in it. Secured parties, if any, shall be mailed notification of their security interest filed.

**History:** 1971 c 162 s 6; 1989 c 148 s 5

#### 168A.07 CONDITIONAL REGISTRATION.

**Subdivision 1. Ownership at issue; certificate withheld or bond filed.** In the event application is made in this state for a certificate of title on a vehicle and the department is not satisfied as to the ownership of the vehicle or the existence of security interests therein, the vehicle may be registered but the department shall either:

(1) withhold issuance of a certificate of title until the applicant shall present documents reasonably sufficient to satisfy the department of the applicant's ownership of the vehicle and as to any security interest therein; or

(2) as a condition to issuing a certificate of title, require the applicant to file a bond in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash or executed by a surety company authorized to do business in this state, in an amount equal to 1-1/2 times the value of the vehicle as determined by the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest therein, or the successor in interest of any said person, against any expense, loss, or damage, including reasonable attorneys' fees, by reason of the issuance of the certificate of title to the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person shall have a right of action to recover on such bond for any breach of its conditions, but the aggregate liability of the surety to all such persons shall in no event exceed the amount of the bond. Unless the department has been notified of the pendency of an action to recover on the bond and if all questions as to ownership and outstanding security interests have been resolved to the satisfaction of the department, such bond, and any deposit accompanying it, shall be returned at the end of three years or prior thereto in the event the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered.

**Subd. 2. Nontransferable certificate.** In the event the issuance of a certificate of title is withheld in accordance with subdivision 1, or because the applicant is unable to surrender an existing certificate of title to the vehicle issued by another state, the department, upon payment of the same fee as for issuing a certificate of title, may issue to the applicant a nontransferable certificate in form designated by the department certifying that the applicant has applied for a certificate of title; provided that such certificate shall not be issued if the department has reasonable grounds to believe the applicant is not the owner or that the application contains a false or fraudulent statement.

**History:** 1971 c 162 s 7; 1978 c 570 s 2

**168A.08 GROUNDS FOR REFUSAL TO ISSUE CERTIFICATE.**

The department shall refuse issuance of a certificate of title if any required fee is not paid or if:

- (1) the department has reasonable grounds to believe that the applicant is not the owner of the vehicle;
- (2) the department has reasonable grounds to believe that the application contains a false or fraudulent statement;
- (3) the applicant fails to furnish required information or documents or any additional information the department reasonably requires; or
- (4) the applicant has not paid at least one month's registration tax or registered the vehicle under section 168.187.

**History:** 1971 c 162 s 8; 1984 c 549 s 25

**168A.085 APPLICATIONS FOR TITLE, CERTAIN CASES.**

**Subdivision 1. Limitations.** No application for certificate of title or registration may be issued for a vehicle that was not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto, unless the applicant furnishes either proof satisfactory to the agent that the vehicle was not brought into the United States from outside the country or all of the following:

- (1) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging receipt of a statement of compliance submitted by the importer of the vehicle and that the statement meets the safety requirements as provided by Code of Federal Regulations, title 19, section 12.80(e);
- (2) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and known to be in conformity with federal emission requirements; and
- (3) a receipt or certificate issued by the United States Department of the Treasury showing that any gas-guzzler taxes due on the vehicle as provided by Public Law Number 95-618, title 2, section 201(a), have been fully paid.

**Subd. 2. Accompanying documents.** The application for certificate of title and the application for registration must be accompanied by a manufacturer's certificate of origin in the English language which was issued by the actual vehicle manufacturer and either:

- (1) the original documents constituting valid proof of ownership in the country in which the vehicle was originally purchased, together with a translation of the documents into the English language verified as to accuracy of the translation by affidavit of the translator; or
- (2) with regard to a vehicle imported from a country that cancels the vehicle registration and title for export, a bond as required by section 168A.07, subdivision 1, clause (2).

**History:** 1988 c 634 s 9

**168A.09 DUPLICATE CERTIFICATE.**

**Subdivision 1. Application; form of duplicate.** In the event a certificate of title is lost, stolen, mutilated, or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate may make application to the department for a duplicate on a form prescribed by the department. The department shall issue a duplicate certificate of title if satisfied that the applicant is entitled thereto. The duplicate certificate of title shall be plainly marked as a duplicate and mailed to the owner. The department shall indicate in its records that a duplicate has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and form prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title shall contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

Subd. 2. [Repealed by amendment, 1989 c 148 s 6]

Subd. 3. **Recovery of original certificate.** A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the department.

**History:** 1971 c 162 s 9; 1989 c 148 s 6

#### **168A.10 TRANSFER OF INTEREST BY OWNER.**

Subdivision 1. **Assignment and warranty of title; mileage.** If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. With respect to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the transferee shall, within ten days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided therefor on the certificate, and cause the certificate of title to be mailed or delivered to the department.

Subd. 3. [Repealed by amendment, 1989 c 148 s 7]

Subd. 4. **Notification of security interest.** If a security interest is reserved or created at the time of the transfer, a notification of security interest shall be delivered or mailed to the person who becomes the secured party.

Subd. 5. **Compliance removes liability after delivery.** Except as provided in section 168A.11 and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied, or within 48 hours after such delivery does comply, with the provisions of this section requiring action by the owner is not liable as owner for any damages resulting from operation of the vehicle after the delivery of the vehicle to the transferee.

Subd. 6. **Late fee.** Every owner or transferor of a motor vehicle who fails or delays for more than 14 days to file the transfer of ownership with the registrar shall pay the registrar a fee of \$2.

**History:** 1971 c 162 s 10; 1977 c 105 s 3; 1986 c 444; 1988 c 647 s 11; 1989 c 148 s 7; 1990 c 480 art 4 s 1

#### **168A.11 PURCHASE OF VEHICLE BY DEALER.**

Subdivision 1. **Application upon transfer.** If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner, and complies with subdivision 2 hereof, the dealer need not apply for a certificate of title, but upon transferring the vehicle to another person other than by the creation of a security interest shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided therefor on the certificate. With respect to motor vehicles subject to the provisions of section 325E.15, the dealer shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferee shall complete the application for title section on the certificate of title. The dealer shall mail or deliver the certificate to the department with the transferee's application for a new certificate and appropriate taxes and fees, within ten days.

Subd. 2. **Purchase receipt.** A dealer, on buying a vehicle which is subject to an outstanding certificate of title, shall at the time of taking delivery of the vehicle execute in triplicate a purchase receipt for the vehicle in a form designated by the department, and deliver one

copy to the seller. Within 48 hours thereafter the dealer shall mail, transmit, or deliver one copy of such receipt to the department.

**Subd. 3. Records.** Every dealer shall maintain for three years at an established place of business a record in the form the department prescribes of every vehicle bought, sold, or exchanged, or received for sale or exchange, which shall be open to inspection by a representative of the department or peace officer during reasonable business hours. With respect to motor vehicles subject to the provisions of section 325E.15, the record shall include either the true mileage as stated by the previous owner or the fact that the previous owner stated the actual cumulative mileage was unknown; the record also shall include either the true mileage the dealer stated upon transferring the vehicle or the fact the dealer stated the mileage was unknown.

**History:** 1971 c 162 s 11; 1977 c 105 s 4,5; 1986 c 444; 1989 c 148 s 8; 1994 c 536 s 17

### **168A.12 INTEREST PASSING BY NONVOLUNTARY TRANSFER.**

**Subdivision 1. Last certificate to department; application.** If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in subdivision 2, promptly mail or deliver to the department the last certificate of title, if available, proof of the transfer, and an application for a new certificate in the form the department prescribes.

**Subd. 2. Owner's interest terminated or vehicle sold by secured party.** If the interest of the owner is terminated or the vehicle is sold under a security agreement by a secured party named in the certificate of title, the transferee shall promptly mail or deliver to the department the last certificate of title, if available, an application for a new certificate in the form the department prescribes, and an affidavit made by or on behalf of the secured party that the interest of the owner was lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If the secured party succeeds to the interest of the owner and holds the vehicle for resale, the secured party need not secure a new certificate of title provided that a notice thereof in form designated by the department is mailed or delivered by the secured party to the department in duplicate within 48 hours, but upon transfer to another person the secured party shall promptly execute assignment and warranty of title and mail or deliver to the transferee or the department the certificate, if available, the affidavit, and other documents required to be sent to the department by the transferee.

**Subd. 3. Delivery and issuance; effect on parties.** A person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate to the department upon its request. The delivery of the certificate pursuant to the request of the department does not affect the rights of the person surrendering the certificate, and the action of the department in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or secured party named in the old certificate.

**History:** 1971 c 162 s 12; 1986 c 444; 1989 c 148 s 9

### **168A.13 FEES ACCOMPANY APPLICATIONS; DELIVERY OF REGISTRATION CARD AND PLATES.**

**Subdivision 1. Fee accompanies application for certificate.** An application for a certificate of title shall be accompanied by the required fee when mailed or delivered to the department.

**Subd. 2. Fee accompanies application for naming secured party.** An application for the naming of a secured party or the party's assignee on a certificate of title shall be accompanied by the required fee when mailed or delivered to the department.

**Subd. 3. Delivery of registration card and license plates.** A transferor of a vehicle, other than a dealer transferring a new vehicle, shall deliver to the transferee at the time of the delivery of possession of the vehicle the registration card and license plates for the vehicle.

**History:** 1971 c 162 s 13; 1986 c 444

**168A.14 DEPARTMENT ISSUES NEW CERTIFICATES AND RETAINS SURRENDERED CERTIFICATES.**

Subdivision 1. **New certificate after assignment.** The department, upon receipt of a properly assigned certificate of title, with an application for a new certificate of title, the required fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner and list any secured party named on it and mail it to the owner. The secured party or parties shall be issued a notification that the security interest has been filed.

Subd. 1a. **New certificate after security interest filed.** The department, upon receipt of an affidavit as provided in section 524.3-1201(a), an application for a new certificate of title, and any required fee, shall issue a new certificate of title in the name of the successor as owner, listing any secured party on it. The department shall mail the certificate to the successor and shall issue any secured party a notification that the security interest has been filed.

Subd. 2. **New certificate after nonvoluntary transfer.** The department, upon receipt of an application for a new certificate of title by a transferee other than by voluntary transfer, with proof of the transfer, the required fees and taxes, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner. If the outstanding certificate of title is not delivered to it, the department shall make demand therefor from the holder thereof.

Subd. 3. **Surrendered certificates.** The department shall file and retain for seven years every surrendered certificate of title, the file to be maintained so as to permit the tracing of title of the vehicle designated therein.

*History: 1971 c 162 s 14; 1989 c 148 s 10; 1992 c 461 art 1 s 1*

**168A.141 MANUFACTURED HOMES PERMANENTLY AFFIXED TO REAL ESTATE.**

Subdivision 1. **Procedure.** The owner of a manufactured home which is affixed as an improvement to real estate may surrender the home's certificate of title to the department for cancellation. The owner shall give the department the address and location of the real estate. The department may require the filing of other information.

Subd. 2. **Security interests.** The department may not cancel a certificate of title if a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department shall notify the owner and each secured party that the certificate of title and a description of the security interest have been surrendered to the department and that the department will not cancel the certificate of title until the security interest is satisfied. Permanent attachment to real estate does not extinguish an otherwise valid security interest in or tax lien on the home.

*History: 1982 c 526 art 3 s 2*

**168A.15 RECONSTRUCTED, SCRAPPED, DISMANTLED, OR DESTROYED VEHICLES.**

Subdivision 1. [Repealed by amendment, 1988 c 496 s 18]

Subd. 2. **Requirements to obtain certificate for reconstructed vehicle.** If a vehicle is altered so as to become a reconstructed vehicle, the owner shall apply for a certificate of title to the reconstructed vehicle in the manner provided in section 168A.04, and any existing certificate of title to the vehicle shall be surrendered for cancellation.

Subd. 3. **Scrapped, dismantled, or destroyed vehicle.** An owner who scraps, dismantles, or destroys a vehicle, or a person who purchases a vehicle as scrap or to be dismantled or destroyed, shall immediately have the certificate of title mailed or delivered to the department for cancellation. A certificate of title for the vehicle shall not again be issued.

*History: 1971 c 162 s 15; 1988 c 496 s 18; 1993 c 93 s 8*

**168A.151 SALVAGE TITLE; JUNKING CERTIFICATE.**

Subdivision 1. **Salvage titles.** When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late model or high value vehicle through payment of damages,

the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within 48 hours of taking possession of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

Any person who acquires a damaged motor vehicle with an out-of-state title and the cost of repairs exceeds the value of the damaged vehicle or a motor vehicle with an out-of-state salvage title or certificate, as proof of ownership, shall immediately apply for a salvage certificate of title. A self-insured owner of a late model or high value vehicle who sustains damage by collision or other occurrence which exceeds 70 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Subd. 2. [Repealed, 1993 c 93 s 20]

Subd. 3. [Repealed, 1993 c 93 s 20]

Subd. 4. **Junking certificate required.** When a person acquires ownership of a vehicle that is an unrepairable total loss vehicle, the person shall surrender the assigned certificate of title to the department and apply for a junking certificate of title.

Subd. 5. [Repealed, 1993 c 93 s 20]

Subd. 6. **Authority under junking certificate.** A junking certificate authorizes the holder only to possess and transport the vehicle, except that a salvage pool or insurance company, or its agent, may sell an unrepairable total loss vehicle with a junking certificate to a licensed used parts dealer.

**History:** 1988 c 496 s 19; 1989 c 342 s 14; 1993 c 93 s 9-11

#### 168A.152 USE AND CERTIFICATION OF TITLE; INSPECTION FEE.

Subdivision 1. **Certificate of inspection.** A salvage certificate of title authorizes the holder to possess, transport, and transfer ownership in a vehicle. A salvage certificate of title does not authorize the holder to register a vehicle. A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless a certification of inspection in the form and content specified by the department accompanies the application for a certificate of title.

Subd. 1a. **Duties of salvage vehicle purchaser.** No salvage vehicle purchaser shall possess or retain a salvage vehicle which does not have a salvage certificate of title. The salvage vehicle purchaser shall display the salvage certificate of title upon the request of any appropriate public authority.

Subd. 2. **Inspection fee.** A fee of \$20 must be paid to the department before the department issues a certificate of title for a vehicle that has been inspected and for which a certificate of inspection has been issued pursuant to subdivision 1. The only additional fee that may be assessed for issuing the certificate of title is the filing fee imposed under section 168.33, subdivision 7.

Fees collected by the department under this subdivision, for conducting inspections under subdivision 1, must be deposited in the general fund.

**History:** 1988 c 496 s 20; 1989 c 342 s 15; 1990 c 446 s 3; 1991 c 124 s 1; 1993 c 93 s 12

#### 168A.153 REPORT OF VEHICLE RECEIPT; SURRENDER OF CERTIFICATE.

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

Subd. 2. **Late model or high value vehicles.** A dealer who buys a late model or high value vehicle to be dismantled or destroyed shall notify the secured party, if any, and then surrender the certificate of title and a properly completed application for a salvage certificate of title to the department within ten days.

**History:** 1988 c 496 s 21; 1994 c 536 s 18

**168A.154 SALVAGE VEHICLES TAKEN OUT OF STATE.**

A dealer who sells a salvage vehicle to a buyer who intends to remove the vehicle from the state shall report the sale within ten days to the department on a form prescribed by the department.

**History:** 1988 c 496 s 22

**168A.16 INAPPLICABLE LIENS AND SECURITY INTERESTS.**

(a) Sections 168A.01 to 168A.31 do not apply to or affect:

(1) a lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) a lien given by statute to the United States;

(3) a security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale.

(b) Sections 168A.17 to 168A.19 do not apply to or affect a lien given by statute or assignment to this state or any political subdivision of this state.

**History:** 1971 c 162 s 16; 1995 c 257 art 1 s 6

**168A.17 SECURITY INTERESTS.**

**Subdivision 1. Validity.** Unless excepted by section 168A.16, a security interest in a vehicle of a type for which a certificate of title is required is not valid against creditors of the owner or subsequent transferees or secured parties of the vehicle unless perfected as provided in sections 168A.01 to 168A.31.

**Subd. 1a. Leases that are not sales or security interests.** Notwithstanding any other provision of sections 168A.01 to 168A.31 or other law, in the case of a lease agreement with respect to a vehicle other than a vehicle used primarily for personal, family, or household purposes, the determination whether the lease agreement constitutes a lease and does not create a conditional sale or security interest shall be governed by the stated intent of the parties set forth in the lease agreement, unless it can be shown by a preponderance of the evidence that the terms of the lease agreement cannot be reconciled with the stated intent. In no event shall the lease agreement be deemed to create a conditional sale or security interest merely because it permits or requires the amount of rental payments to be adjusted upward or downward by reference to the amount realized by the lessor upon sale or disposition of the vehicle.

**Subd. 2. Perfection.** A security interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the secured party, the date of the secured party's security agreement and the required fee. It is perfected as of the time of its creation if the delivery is completed within ten days thereafter; otherwise as of the time of the delivery.

**Subd. 3. Interests created in other states.** If a vehicle is subject to a security interest when brought into this state, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

(1) If the parties understood at the time the security interest attached that the vehicle would be kept in this state and it was brought into this state within 30 days thereafter for purposes other than transportation through this state, then the validity of the security interest in this state is determined by the law of this state.

(2) If the security interest was already perfected under the law of the jurisdiction where the vehicle was when the security interest attached, the following rules apply:

(a) If the name of the secured party is shown on an existing certificate of title issued by that jurisdiction, the party's security interest continues perfected in this state.

(b) If the name of the secured party is not shown on an existing certificate of title issued by that jurisdiction, the security interest continues perfected in this state for four months after a first certificate of title of the vehicle is issued in this state, and also thereafter if within the four month period it is perfected in this state. The security interest may also be perfected in

this state after the expiration of the four month period; in that case perfection dates from the time of perfection in this state.

(3) If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest attached, it may be perfected in this state; in that case perfection dates from the time of perfection in this state.

(4) A security interest may be perfected under clause (2)(b) or (3), either as provided in subdivision 2, or by the secured party delivering to the department a notice of security interest in the form the department prescribes, and the required fee.

**History:** 1971 c 162 s 17; 1986 c 444; 1989 c 174 s 1; 1989 c 232 art 2 s 1; 1989 c 356 s 21

#### **168A.18 DUTIES OF PARTIES RELATING TO SECURITY INTEREST.**

If an owner creates a security interest in a vehicle:

(1) The owner shall immediately execute the application in the space provided therefor on the certificate of title, or on a separate form the department prescribes, to name the secured party on the certificate, showing the name and address of the secured party, and cause the certificate, application, and the required fees and taxes to be delivered to the secured party.

(2) The secured party shall immediately cause the certificate, application, and the required fees and taxes to be mailed or delivered to the department.

(3) A second or subordinate secured party does not affect the rights of the first secured party under a security agreement.

(4) Upon receipt of the certificate of title, application, and the required fees and taxes, the department shall issue a new certificate containing the name and address of the new secured party, and mail the certificate to the owner. The secured party or parties shall be issued a notification that the security interest has been recorded.

**History:** 1971 c 162 s 18; 1986 c 444; 1989 c 148 s 11

#### **168A.19 ASSIGNMENT OF SECURITY INTEREST.**

**Subdivision 1. Effect of assignment without notice.** A secured party may assign, absolutely or otherwise, a security interest in the vehicle to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but any person without notice of the assignment is protected in dealing with the secured party as the holder of the security interest and the secured party remains liable for any obligations as secured party until the assignee is named as secured party on the certificate.

**Subd. 2. Assignee named as secured party.** The assignee may, but need not to perfect the assignment, have the certificate of title endorsed or issued with the assignee named as secured party, upon delivering to the department the certificate and an assignment by the secured party named in the certificate in the form the department prescribes together with the required fee.

**History:** 1971 c 162 s 19; 1986 c 444

#### **168A.20 SATISFACTION OF SECURITY INTEREST.**

**Subdivision 1. Certificate with latest secured party.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the secured party, the secured party shall within 15 days execute a release of security interest in the space provided therefor on the certificate or as the department prescribes, and mail or deliver the certificate and release to the next secured party named therein, or if none, to the owner or any person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly cause the certificate and release, together with the required fees and taxes, to be mailed or delivered to the department, which shall release the secured party's rights on the certificate or issue a new certificate.

**Subd. 1a. Titles issued before July 1, 1990.** For titles issued to the secured party before July 1, 1990, the secured party shall hold the certificate of title until the security interest is satisfied.

**Subd. 2. Certificate with prior secured party.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall within 15 days execute a release in the form the department prescribes and deliver the release to the owner or any person who delivers to the secured party an authorization from the owner to receive it. The secured party in possession of the certificate of title shall either deliver the certificate to the owner, or the person authorized by the owner, for delivery to the department, or upon receipt of the release, mail or deliver it with the certificate to the department, which shall release the subordinate secured party's rights on the certificate or issue a new certificate.

**Subd. 3. Certificate with owner.** Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, the secured party shall within 15 days execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

**Subd. 4. Satisfaction of lien for child support.** If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the court, an administrative law judge, the public authority, or the obligee, within 15 days the secured party shall execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

**History:** 1971 c 162 s 20; 1978 c 655 s 1; 1980 c 369 s 1; 1986 c 444; 1989 c 148 s 12-14; 1995 c 257 art 1 s 7

#### **168A.21 DISCLOSURE OF SECURITY INTEREST.**

**Subdivision 1. General.** A secured party named in a certificate of title shall upon written request of the owner or of another secured party named on the certificate disclose any pertinent information as to the security agreement and the indebtedness secured by it.

**Subd. 2. Child support.** A secured party that is a public authority or an obligee with a lien under section 168A.05, subdivision 8, shall, upon written request of the owner, disclose the amount of the judgment debt secured.

**History:** 1971 c 162 s 21; 1986 c 444; 1995 c 257 art 1 s 8

#### **168A.22 EXCLUSIVE METHOD OF PERFECTING SECURITY INTERESTS.**

The method provided in sections 168A.01 to 168A.31 of perfecting security interests subject to sections 168A.01 to 168A.31 is exclusive.

**History:** 1971 c 162 s 22

#### **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

#### 168A.24 DUTIES AND POWERS OF DEPARTMENT.

Subdivision 1. **Forms.** The department shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the provisions of sections 168A.01 to 168A.31.

Subd. 2. **Powers.** The department may:

(1) Make necessary investigations to procure information required to carry out the provisions of sections 168A.01 to 168A.31;

(2) Assign a new identifying number to a vehicle if it has none, or its identifying number is destroyed or obliterated;

(3) Adopt and enforce such rules as may be necessary to carry out the provisions of sections 168A.01 to 168A.31;

(4) Adopt and enforce such rules as the department may deem necessary or appropriate to require the payment of fees imposed by section 168.54, as a condition for deferring application for a certificate of title by a dealer or secured party in cases provided for in section 168A.11 or 168A.12, subdivision 2. Such rules shall permit the use of the "Transfer Filing Fee" stamp prescribed by section 168.54, when feasible.

(5) Adopt a rule which may require the owner or secured party, as the case may be, to deposit the certificate of title with the department during the period when the vehicle for which such certificate was issued is registered pursuant to section 168.31, subdivision 4, or is subject to the lien imposed by section 168.31, subdivision 6.

**History:** 1971 c 162 s 24; 1985 c 248 s 70; 1989 c 209 art 2 s 21

#### 168A.25 REVIEW BY DISTRICT COURT.

A person aggrieved by an act or omission to act of the department under sections 168A.01 to 168A.31 is also entitled to a review thereof by the district court in accordance with law.

**History:** 1971 c 162 s 25

168A.26 [Repealed, 1989 c 148 s 16]

168A.27 [Repealed, 1989 c 148 s 16]

168A.28 [Repealed, 1989 c 148 s 16]

#### 168A.29 FEES.

Subdivision 1. **Amounts.** (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$4.

(b) In addition to each of the fees required under paragraph (a), clauses (1) and (3), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, \$3.50; but then

(2) after June 30, 1997, \$1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

**Subd. 2. Fee in lieu of other fee.** If a person applies for an original or a new certificate of title to a vehicle, concurrently with an application, as transferee, of registration of the vehicle, the fee prescribed in subdivision 1 shall be in lieu of the fee prescribed by section 168.54, with respect to any transfer of ownership or registration of the vehicle to the applicant.

**Subd. 3. No certificate issued until fees paid.** Subject to subdivision 2, the department shall not issue a certificate of title to a vehicle until all fees prescribed by sections 168.54 and 168A.10, subdivision 6, with respect to any prior transfer of ownership or registration of the vehicle shall have been paid.

**History:** 1971 c 162 s 29; 1986 c 444; 1989 c 209 art 2 s 22; 1994 c 632 art 1 s 4; 1995 c 257 art 1 s 9

### 168A.30 VIOLATIONS AND PENALTIES.

**Subdivision 1. False information in application or supporting document.** A person who with fraudulent intent uses a false or fictitious name or address, or makes a material false statement, or fails to disclose a security interest, or conceals any other material fact, in an application for a certificate of title or submits a false, forged, or fictitious document in support of an application for a certificate of title, shall be guilty of a felony and may be sentenced for a term of not more than four years, or to payment of a fine of not more than \$10,000, or both.

**Subd. 2. Willful or fraudulent acts; failure to notify.** 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; or

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

**History:** 1971 c 162 s 30; 1984 c 628 art 3 s 11; 1986 c 444; 1993 c 85 s 3

### 168A.31 DISPOSITION OF FEES; PAYMENT OF EXPENSES.

**Subdivision 1. Paid to general fund.** All fees prescribed by sections 168A.01 to 168A.31 collected by the department shall be paid into the general fund.

**Subd. 2. Expenses; appropriation.** All necessary expenses incurred by the department for the administration of sections 168A.01 to 168A.31 shall be paid from moneys in the transfer of ownership revolving fund, and such funds are hereby appropriated.

**History:** 1971 c 162 s 32; 1979 c 333 s 88

### 168A.40 AUTOMOBILE THEFT PREVENTION PROGRAM.

**Subdivision 1. Board membership.** An automobile theft prevention board consists of seven members appointed by the governor and shall include representatives of law enforce-

ment, prosecuting attorneys, the department of public safety, automobile insurers, and the public. The board shall annually elect a chair from among its members. The board may employ professional, technical, consulting, and clerical service staff. The board is governed by section 15.0575 except that the terms of the members are two years. The commissioner of public safety shall provide office space and administrative support to the board.

**Subd. 2. Program duties.** The automobile theft prevention board shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) audit at its own discretion the plans and programs that it has funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the board determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest; an analysis of various methods of combating the problem of automobile theft; a plan for providing financial support to combat automobile theft; a plan for eliminating car hijacking; and an estimate of the funds required to implement the plan; and

(5) distribute money from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the board;

(ii) providing financial support to the state patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft;

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary; and

(viii) conducting educational programs designed to inform automobile owners of methods of preventing automobile theft and to provide equipment, for experimental purposes, to enable automobile owners to prevent automobile theft.

By January 15 of each year, the board shall report to the governor and legislature on its activities and expenditures in the preceding year.

**Subd. 3. Surcharge.** Each insurer engaged in the writing of policies of automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle for every six months of coverage, on each policy of automobile insurance providing comprehensive insurance coverage issued or renewed in this state. The surcharge may not be considered premium for any purpose, including the computation of premium tax or agents' commissions. The amount of the surcharge must be separately stated on either a billing or policy declaration sent to an insured. Insurers shall remit the revenue derived from this surcharge at least quarterly to the board for purposes of the automobile theft prevention program. For purposes of this subdivision, "policy of automobile insurance" has the meaning given it in section 65B.14, except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included within this definition.

**Subd. 4. Automobile theft prevention account.** A special revenue account is created in the state treasury to be credited with the proceeds of the surcharge imposed under subdivision 3. Revenue in the account may be used only for the automobile theft prevention program. The board may not spend in any fiscal year more than ten percent of the money in the fund for its administrative and operating costs.

**History:** 1996 c 408 art 2 s 1

**NOTE:** This section, as added by Laws 1996, chapter 408, article 2, section 1, is repealed effective January 1, 2002. Laws 1996, chapter 408, article 2, section 16.

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