

Subject Motor vehicle salvage titles

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Date February 23, 2022

Overview

This bill modifies requirements for brands added to motor vehicle titles as well as disclosure of vehicle branding and damage. The changes include:

- requiring a “prior salvage” brand on vehicles in some circumstances that involve insurance company acquisition, vehicle damage over a threshold, and prior branding of the vehicle;
- requiring a motor vehicle dealer to provide written disclosure of vehicle brands, flooding, or other prior damage when the vehicle is being sold;
- extending the title branding and disclosure requirements to commercial vehicles, restored pioneer vehicles, and motorcycles; and
- making a variety of technical and clarifying changes (including to conform statutes to Driver and Vehicle Services practices, revise terminology, remove an unused type of brand, and restructure provisions).

Among its effects, the bill eliminates scenarios under current law where a damaged vehicle that is neither high-value (e.g., worth over \$9,000 before being damaged) nor late-model (six model years old or newer) does not result in carrying an unbranded title. It also establishes that branding requirements apply in the same manner to in-state and out-of-state vehicles.

The bill reflects recommendations developed by a Salvage Title Task Force established in 2021 legislation.

Most of the changes are effective January 1, 2023.

Summary

Section	Description
1	<p>Recovered intact vehicle.</p> <p>Defines “recovered intact vehicle” in the chapter of statutes on motor vehicle titles, to refer to a vehicle that was stolen, declared a total loss by an insurance company, and subsequently recovered with damage below a threshold.</p>
2	<p>Salvage vehicle.</p> <p>Revises the definition of “salvage vehicle” in the chapter of statutes on motor vehicle titles, to be based on an insurance company declaration of total loss or vehicle damage in excess of 80 percent of its prior value.</p>
3	<p>Contents.</p> <p>Makes a clarifying change, to modify an inconsistency among statutes regarding the vehicle damage threshold when notice is required in initial title applications.</p>
4	<p>Vehicle last registered out of state.</p> <p>Makes a clarifying change, to modify an inconsistency among statutes regarding the vehicle damage threshold when notice is required in out-of-state vehicle title applications.</p>
5	<p>Content of certificate.</p> <p>Clarifies that a title can bear more than one brand. Eliminates reference to a “rebuilt” brand that is not used in Minnesota. Makes technical and conforming changes.</p>
6	<p>Salvage and prior salvage brands.</p> <p>Sets conditions when a “prior salvage” brand is required for a vehicle. Makes technical and clarifying changes.</p> <p>Paragraph (a) requires a “prior salvage” brand when an insurance company makes a damage payment and acquires a vehicle that is neither late-model nor high-value. (The requirement to instead obtain “salvage” brand for late-model and high-value vehicles in these circumstances is unchanged.)</p> <p>Paragraph (c) clarifies that a “salvage” brand is required for a late-model or high-value vehicle that already has various damage-related brands on its title.</p> <p>Paragraph (d) requires a “prior salvage” brand when the “salvage” brand is not otherwise mandated, and the vehicle already has various damage-related brands or has had a salvage brand in its history.</p> <p>Paragraph (e) requires a “prior salvage” brand when a self-insured vehicle sustains damage of at least 80 percent of its prior value and the vehicle is neither late-model</p>

Section	Description
	nor high-value. (The requirement to instead obtain “salvage” brand for late-model and high-value vehicles in these circumstances is unchanged.)
7	Certificate of inspection. Makes technical changes, to clarify limitations and inspection requirements for vehicles with a “salvage” brand.
8	Duties of salvage vehicle purchaser. Makes technical changes.
9	Exclusions. Makes technical changes.
10	Disclosure of vehicle damage. Modifies disclosure requirements related to vehicle damage and title brands. Subd. 1. Prior damage disclosure. Eliminates a dealer disclosure requirement that is being centralized and revised, in subdivision 2. Eliminates reference to a “rebuilt” brand that is not used in Minnesota. Subd. 2. Disclosure requirements. Centralizes and revises motor vehicle dealer disclosure provisions, including to (1) broaden the disclosure to include all types of brands on the title or mandated for the vehicle, and (2) require written disclosure to prospective buyers that a buyer must sign and a dealer must document and retain. Substantially reproduces language that is eliminated in other statutes.
11	Title branding. Identifies the circumstances under which the Department of Public Safety must record various brands on a vehicle title. Makes technical and conforming changes. Subd. 1. Flood damage. Clarifies the conditions when a “flood damaged” brand is required. Subd. 2. Salvage vehicles. Directs the department to record a “salvage” brand when required under another section of statutes. Subd. 3. Out-of-state vehicles. Repeals a subdivision on title brands for out-of-state vehicles, which is made obsolete by other changes in the bill. Subd. 2a. Prior salvage. Directs the department to record a “prior salvage” brand when required under another section of statutes.

Section	Description
	<p>Subd. 2b. Certain damaged vehicles. Clarifies required recording of a “salvage” brand, and subsequently after an inspection recording a “prior salvage” brand for some damaged vehicles.</p> <p>Subd. 4. Reconstructed vehicles. Makes technical changes.</p> <p>Subd. 5. Manner of branding. Centralizes title brand design requirements (to reflect current practices). Makes technical changes.</p> <p>Subd. 6. Total loss vehicle; definition. Repeals a definition that is made obsolete by other changes in the bill.</p> <p>Subd. 7. Dealer disclosure. Eliminates an oral damage disclosure requirement that is being centralized and revised in the bill.</p> <p>Subd. 8. Flood damage; dealer lots. Eliminates a flooding damage disclosure requirement that is being centralized and revised in the bill.</p>
12	<p>Title branding. Eliminates a title brand design requirement that is being centralized and revised in the bill.</p>
13	<p>Appropriation. Appropriates an amount to be determined from the vehicle services operating account for implementation costs.</p>
14	<p>Repealer. Repeals (1) a term that is no longer used due to changes made in the bill; and (2) exemptions from title branding and disclosure, so that the requirements also apply to commercial vehicles, restored pioneer vehicles, and motorcycles.</p>



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