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Minnesota Attorney General Keith Ellison
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March 23, 2022

Representative Zack Stephenson, Chair
Minnesota House Commerce Finance and Policy Committee
509 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Sent by email

Dear Chair Stephenson, Vice Chair Kotyza-Witthuhn, Rep. O’Driscoll, and committee members,

I write to urge support for three bills proposed this session that would address pressing issues facing Minnesota consumers shopping in the used vehicle market.

Minnesotans deserve the ability to afford their lives and live with dignity and respect. One part of this is a commitment to making sure that Minnesotans who shop for a used vehicle have the information they need to make an informed decision about their purchase. The need to encourage fairness and informed purchasing in the used auto market is greater than ever: according to one analysis reported by KARE 11 in March 2022,¹ the cost of used vehicles in some parts of the state has been driven up 32% since the beginning of the pandemic, further increasing the cost of what was already one of the most expensive household purchases.

HF 2823, as amended by the A22-0370 amendment, requires Minnesota consumers to be notified in the purchase contract when the used vehicle they are buying contains a “GPS starter interrupter device,” a mechanism that lenders can use to remotely disable a vehicle when consumers fall behind on payments. The bill empowers Minnesota consumers to decide for themselves whether to purchase a vehicle that carries one of these devices. Because GPS starter interrupter devices are intentionally sought out by some consumers as a theft-deterrent device, the bill also requires the purchase contract to state the circumstances under which the device can be activated, allowing dealers and consumers to differentiate between a theft-deterrent device and one that could be used to inhibit the consumer’s own use of the vehicle.

¹ Alicia Lewis, *Used car prices in Minnesota skyrocket, and here's the car seeing the biggest jump in price*, KARE 11 (March 4, 2022), <https://perma.cc/SZ9Y-NJBX>.

HF 2824, as amended by the A22-0369 amendment, requires Minnesota consumers to be able to see the price of a used vehicle before filling out a credit application. My Office has received reports of Minnesotans going to used car dealerships that refuse to post their prices, and only disclosing a limited range of vehicles to consumers after they fill out a credit application. In some cases, it appears consumers are only being shown vehicles at the top of their credit limit; without vehicle prices available for review, a cost-conscious consumer may not know that there are other more affordable vehicles on the lot for sale than they are being shown by the dealer. This bill empowers consumers by giving them the option to see the price of all available vehicles before a credit check, creating the opportunity for a fairer and more transparent transaction.

HF 2825, as amended by the A22-0368 amendment, requires used car dealers to conduct sales transactions in a single language. This bill seeks to address an issue our Office has serious concerns about: a used car dealer making an oral sale to a Minnesotan in a language other than English, then presenting them with a written contract in English containing materially different terms than were discussed during the sales pitch. This is highlighted by a recent FTC report that describes FTC enforcement actions against auto dealers that misled non-English speakers by hiding material sales terms in fine print disclaimers written in English.² This bill would empower the hundreds of thousands of Minnesotan consumers who do not speak English by ensuring the opportunity to review and understand the key terms of the purchase contract in their native language before agreeing to be bound by them.

These bills take clear, targeted, steps toward a fair marketplace for used vehicles in Minnesota. I encourage you to support them.

Sincerely,



KEITH ELLISON
Attorney General

cc: Rep. Carlie Kotyza-Witthuhn
Rep. Tim O'Driscoll
Rep. Cal Bahr
Rep. Andrew Carlson
Rep. Jim Davnie
Rep. Steve Elkins
Rep. Barb Haley
Rep. Erin Koegel
Rep. Fue Lee

Rep. Leon Lillie
Rep. Dave Lislegard
Rep. Eric Lucero
Rep. Liz Olson
Rep. Brian Pfarr
Rep. Jordan Rasmusson
Rep. Ruth Richardson
Rep. Tama Theis

² *Serving Communities of Color: A Staff Report on the Federal Trade Commission's Efforts to Address Fraud and Consumer Issues Affecting Communities of Color*, Fed. Trade Comm'n, at 8–9 (Oct. 2021), <https://perma.cc/JT3T-PSWC>.