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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2337

03/13/2025

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The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

- 1.1

A bill for an act
- 1.2

relating to transportation; modifying dealer plate provisions to provide for the use
- 1.3

of a vehicle for courtesy purposes; amending Minnesota Statutes 2024, section
- 1.4

168.27, subdivision 16.
- 1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6

Section 1. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:
- 1.7

Subd. 16. **Dealer plates: distinguishing number, fee, tax, use.** (a) The registrar shall
- 1.8

issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed
- 1.9

as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing
- 1.10

number. This subdivision does not apply to a scrap metal processor, a used vehicle parts
- 1.11

dealer, or a vehicle salvage pool. The fee for each of the first four plates is \$75 per registration
- 1.12

year, of which \$60 must be paid to the registrar and the remaining \$15 is payable as sales
- 1.13

tax on motor vehicles under section 297B.035. For each additional plate, the dealer shall
- 1.14

pay the registrar a fee of \$25 and a sales tax on motor vehicles of \$15 per registration year.
- 1.15

The registrar shall deposit the tax in the state treasury to be credited as provided in section
- 1.16

297B.09. Replacement plates are subject to the fees in section 168.12. Motor vehicles, new
- 1.17

or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles
- 1.18

leased to the user who is not an employee of the dealer during the term of the lease, held
- 1.19

for hire, or used by the dealer as a tow truck, service truck, or parts vehicle, may be driven
- 1.20

upon the streets and highways of this state:
- 1.21

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor
- 1.22

vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) by a person who meets the criteria for the use of a dealer plate by a nonemployee under paragraph (c);

~~(3)~~ (4) for demonstration purposes by any prospective buyer for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

~~(4)~~ (5) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under clause (2) before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

(c) Notwithstanding paragraph (a), a motor vehicle bearing a number plate issued under this section may be driven by a nonemployee of the motor vehicle dealer if:

(1) the courtesy vehicle is held out by the motor vehicle dealer as part of a repair, service, or maintenance transaction at the motor vehicle dealer and not a standalone transaction to purchase a vehicle;

(2) the motor vehicle is regularly offered by the motor vehicle dealer as a courtesy vehicle for use by nonemployees;

(3) the nonemployee driver of the courtesy vehicle provides a valid driver's license and proof of insurance;

(4) the courtesy vehicle lease agreement clearly identifies the vehicle as a courtesy vehicle and is not held for sale or resale during the term of the agreement;

(5) the courtesy vehicle is conspicuously marked and identified as a courtesy vehicle on the exterior with the motor vehicle dealer's business name also visible; and

(6) the courtesy vehicle lease agreement clearly identifies the nonemployee driver's responsibilities and liabilities, including the circumstances in which a dealer plate may be

3.1 revoked, and may provide that the dealer can recover the cost of registration and sales tax
3.2 from the lessee should the plate be revoked by improper use.

3.3 (d) For purposes of paragraph (c), a "courtesy vehicle" means a passenger automobile
3.4 or truck that a motor vehicle dealer temporarily provides at no or minimal cost to customers
3.5 for customer service or mobility purposes while the customer's vehicle is serviced, repaired,
3.6 or maintained. A courtesy vehicle with a dealer plate meeting the criteria of paragraph (c)
3.7 is not:

3.8 (1) subject to the 72-hour restriction specified in paragraph (b); or

3.9 (2) subject to the title, registration, and sales tax requirements for a motor vehicle under
3.10 this chapter.

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2025, for dealer license plates
3.12 issued on or after that date.