

HOUSE RESEARCH

Bill Summary

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Authors: Vogel and others

Subject: Motor vehicle dealers, titles, and liens

Analyst: Matt Burress

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Overview

This bill would (1) loosen the timing of providing license plates and validation stickers as part of motor vehicle dealer sale of a vehicle; (2) establish a new mechanism (primarily based on an affidavit and surety bond) for transferring the title on older vehicles when one of the vehicle owners or lienholders cannot be contacted; and (3) allow new and used motor vehicle dealers to utilize a provision on cancelling certain older liens on a vehicle.

- 1 Distribution of plates and stickers.** Allows a motor vehicle dealer to provide license plates and validation stickers to a vehicle buyer at a point in time that is separate from, but still in conjunction with, the sale of the vehicle.
- 2 Ownership at issue; certificate withheld or bond filed.** Requires Driver and Vehicle Services to issue a vehicle title for an older vehicle for which an owner or lienholder cannot be contacted, if the title applicant provides, among other items, (1) an affidavit regarding the vehicle and attempts made to contact other owners or lienholders, and (2) a surety bond at one and a half of the vehicle's value (to indemnify the parties that were not contacted as part of the title transfer). Provides for expiration of the bond. Makes technical and conforming changes.
- 3 Satisfaction of automobile lien seven years old; release.** Extends a provision that allows removing a lien on a vehicle title, so that the process can also be undertaken by new or used motor vehicle dealers who are purchasing the vehicle from a natural individual for resale (such as on trade-in).