

HOUSE RESEARCH

Bill Summary

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Overview

This bill modifies the situations where damaged motor vehicles must have a salvage title and where a disclosure of vehicle damage is required.

- 1 Issuance of card.** Permits an insurance identification card to be issued electronically if the insured agrees.
- 2 High-value vehicle.** Amends the definition of "high-value vehicle" in the chapter on motor vehicle titles, to raise the minimum value of a vehicle prior to being damaged in a crash, from \$5,000 to \$9,000, in order to be considered high-value (which reduces the collection of vehicles considered high-value). High-value vehicles are subject to provisions (1) requiring an insurance company to obtain a salvage title on the vehicle if it was acquired as a result of paying an insurance claim, and (2) requiring a salvage title on some damaged vehicle scenarios involving an out-of-state title (see section 5).
- 3 Late-model vehicle.** Amends the definition of "late-model vehicle" in the chapter on motor vehicle titles, to classify vehicles by comparing the designated model year with the current calendar year, instead of based on model year of vehicle manufacture. Late-model vehicles under the change are essentially those with a model year matching the current calendar year or any of the preceding five calendar years.
- 4 Older model vehicle.** Amends the definition of "older model vehicle" in the chapter on motor vehicle titles, to consist of all vehicles that have a model year that is older than those of late-model vehicles (which no longer excludes certain older vehicles that have a higher value). This has the effect of including additional, higher value vehicles in a provision on auto, scrap metal, and used vehicle parts dealer reporting to Driver and Vehicle Services when purchasing a vehicle to be dismantled or destroyed.
- 5 Salvage titles.** Modifies the time an insurance company has before being required to notify Driver and Vehicle Services of acquiring a vehicle through paying a damage claim, so that the notification must occur within ten days of obtaining the vehicle's title (instead of within 48 hours of taking possession of the vehicle).

Raises the cut-off for self-insured vehicle owners in the amount of vehicle damage from an accident, from 70 to 80 percent of actual cash value, at which point the person must obtain a salvage title for the vehicle. Eliminates an exclusion of airbag replacement costs from the calculation of vehicle damage.

- 6** **Disclosure of motor vehicle damage.** Amends which vehicles are subject to a provision on vehicle damage disclosure, to use a new basis for determining vehicle age (using the amended definition of "late-model vehicle" in section 2 of the bill); raises the cut-off for the amount of vehicle damage from an accident, from 70 to 80 percent of actual cash value, that mandates damage disclosure; and eliminates an exclusion of airbag replacement costs from the calculation of vehicle damage. Makes a conforming change in the required seller statement to a vehicle buyer.
- 7** **Damage disclosure.** Makes a conforming change.