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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3145

03/27/2023

Authored by Petersburg

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 motor vehicle dealer access to replacement

1.3 license plates; clarifying the operation of used motor vehicles by motor vehicle

1.4 dealers and their employees; amending Minnesota Statutes 2022, sections 168.27,

1.5 subdivision 16, by adding a subdivision; 168A.02, subdivision 2; 168A.03,

1.6 subdivision 2; 168A.11, subdivision 1.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2022, section 168.27, subdivision 16, is amended to read:

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

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

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

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

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

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

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

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

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

1.18 297B.09. Replacement dealer plates are subject to the fees in section 168.12. Motor vehicles,

1.19 new or used, owned by the motor vehicle dealership and bearing the number plate, except

1.20 vehicles leased to the user who is not an employee of the dealer during the term of the lease,

1.21 held for hire, or customarily used by the dealer as a tow truck, service truck, or parts vehicle,

1.22 may be driven upon the streets and highways of this state:

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

1.24 vehicle dealer for either private or business purposes;

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

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

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

2.7 (b) A used motor vehicle with current Minnesota registration but not bearing the number  
 2.8 plate described in paragraph (a) and held out for sale by a motor vehicle dealer is governed  
 2.9 by subdivision 17a.

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

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.19 Sec. 2. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to  
 2.20 read:

2.21 **Subd. 17a. Dealers; duplicate or replacement plates.** (a) For purposes of this  
 2.22 subdivision, "motor vehicle dealer" has the meaning given in section 168.002, subdivision  
 2.23 6; "duplicate or replacement plates" means replacement plates issued under section 168.29;  
 2.24 and "registration" has the meaning given in section 168A.01, subdivision 16c.

2.25 (b) Notwithstanding section 168A.11, subdivision 1, every licensed motor vehicle dealer  
 2.26 seeking duplicate or replacement plates for a motor vehicle held for resale and currently  
 2.27 registered in Minnesota under section 168.12 must submit to the department an application  
 2.28 for a certificate of title under section 168A.05.

2.29 (c) Unless a certificate of title has been issued naming the motor vehicle dealer as the  
 2.30 owner under section 168A.05, used motor vehicles with current registration in Minnesota  
 2.31 and held for sale by a motor vehicle dealer bearing duplicate or replacement plates must  
 2.32 not be driven upon the streets and highways of this state by:

3.1 (1) the motor vehicle dealer or dealer's spouse for private purposes; or

3.2 (2) a full-time or part-time employee of the motor vehicle dealer when the use is not  
3.3 directly related to a particular business transaction of the dealer.

3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.5 Sec. 3. Minnesota Statutes 2022, section 168A.02, subdivision 2, is amended to read:

3.6 Subd. 2. **Vehicle registration without title.** Except as provided in section 168.27,  
3.7 subdivision 17a, the department shall not register or renew the registration of a vehicle for  
3.8 which a certificate of title is required unless a certificate of title has been issued to the owner,  
3.9 an application therefor has been delivered to and approved by the department, or the vehicle  
3.10 has a Minnesota certificate of title and is being held for resale by a dealer under section  
3.11 168A.11.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.13 Sec. 4. Minnesota Statutes 2022, section 168A.03, subdivision 2, is amended to read:

3.14 Subd. 2. **Dealers.** Except as provided in section 168.27, subdivision 17a, no certificate  
3.15 of title need be obtained for a vehicle owned by a manufacturer or dealer and held for sale,  
3.16 even though incidentally moved on the highway or used pursuant to section 168.27,  
3.17 subdivisions 16 and 17, or 168.28, or a vehicle used by a manufacturer solely for testing.

3.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.19 Sec. 5. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

3.20 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who  
3.21 buys a vehicle and holds it for resale need not apply for a certificate of title, except as  
3.22 provided under section 168.27, subdivision 17a. Upon transferring the vehicle to another  
3.23 person, other than by the creation of a security interest, the dealer shall promptly execute  
3.24 the assignment and warranty of title by a dealer, showing the names and addresses of the  
3.25 transferee and of any secured party holding a security interest created or reserved at the  
3.26 time of the resale, and the date of the security agreement in the spaces provided therefor on  
3.27 the certificate of title or secure reassignment.

3.28 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the  
3.29 dealer need not register the vehicle except as provided in section 168.27, subdivision 17a.  
3.30 If a dealer elects to apply for a certificate of title on a vehicle held for resale but is not  
3.31 requesting duplicate or replacement plates under section 168.12, the dealer need not register

4.1 the vehicle but shall pay one month's registration tax. If a dealer elects to apply for a  
4.2 certificate of title on a vehicle held for resale, the department shall not place any legend on  
4.3 the title that no motor vehicle sales tax was paid by the dealer, but may indicate on the title  
4.4 whether the vehicle is a new or used vehicle.

4.5 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer  
4.6 shall also, in the space provided therefor on the certificate of title or secure reassignment,  
4.7 state the true cumulative mileage registered on the odometer or that the exact mileage is  
4.8 unknown if the odometer reading is known by the transferor to be different from the true  
4.9 mileage.

4.10 (d) The transferee shall complete the application for title section on the certificate of  
4.11 title or separate title application form prescribed by the department. The dealer shall mail  
4.12 or deliver the certificate to the registrar or deputy registrar with the transferee's application  
4.13 for a new certificate and appropriate taxes and fees, within ten business days.

4.14 (e) With respect to vehicles sold to buyers who will remove the vehicle from this state,  
4.15 the dealer shall remove any license plates from the vehicle, issue a 31-day temporary permit  
4.16 pursuant to section 168.091, and notify the registrar within 48 hours of the sale that the  
4.17 vehicle has been removed from this state. The notification must be made in an electronic  
4.18 format prescribed by the registrar. The dealer may contract with a deputy registrar for the  
4.19 notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of \$7 per  
4.20 transaction to provide this service.

4.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.