



March 9, 2022

The Honorable Scott Newman  
Chair, Senate Finance and Policy Committee  
Minnesota Senate  
St. Paul, MN 55155

**RE: SF 3072 - SUPPORT**

Dear Chair Newman:

On behalf of LKQ Corporation, the largest nationwide provider of aftermarket, recycled, and remanufactured collision replacement parts and products, I ask your support for Senate File 3072 sponsored by Senator Jasinski.

Senate File 3072 is a result of extensive work by the Salvage Title Task Force to address the problem of Minnesota's current "late-model" / "high-value" provision that allows total loss or salvage vehicles to appear as reliable used vehicles when in fact they may have been damaged extensively in collisions, fire or through water damage due to flooding. The primary purpose of this bill is to provide proper disclosure as to the title status of those vehicles that have been processed as a total loss in the state. This is a consumer protection bill. Consumers should know if their vehicle has sustained prior damage regardless of the age or value of the vehicle.

Loopholes, exemptions and deficiencies in state titling and branding regulations have the same net effect as title washing. This allows badly damaged vehicles to reenter the marketplace with no way for a potential purchaser to be aware of prior damage history unless that damage is voluntarily disclosed by the seller.

This fragmented system creates many opportunities for problems in the salvage and used vehicle markets, with risks for the integrity of the resale market and for potential purchasers who may unknowingly buy badly damaged vehicles with clean titles.

Title branding for damaged vehicles serves to properly document prior damage for subsequent buyers. Fraud is likely to occur when vehicles are not properly or accurately branded and can lead to badly damaged and superficially repaired vehicles being offered for sale with clean titles. Unfortunately, this can result not only from illegal activities, but also through loopholes and exemptions in state law, regardless of the severity of the damage to the vehicle.

Unknowingly purchasing previously damaged vehicles threatens consumers' safety and finances when they buy cars that are more badly damaged than they appear. Low-income communities are disproportionately targeted when they are sold wrecks that have been purchased at auction, rebuilt, and then put back on the road after having been sold to the unsuspecting cost conscious buyers under a clean title.

Buyers of these vehicles will suffer from unexpected financial losses or injury from operating unsafe vehicles that should never have been repaired or will resell the unsafe vehicle to another other unsuspecting consumer to recoup their losses from having purchased a vehicle that should never have been given a clean title.

For these reasons we respectfully ask that you vote favorably for SF 3072; a bill to restore transparency, honesty, and fairness to the state's titling of these types of vehicles.

Respectfully,

A handwritten signature in black ink that reads "Kevin Fisk". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Kevin Fisk  
Government Affairs  
LKQ Corporation