S.F. No. 950 – Salvage vehicle auction notice and title requirements

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Date: February 7, 2025

S.F. 950 institutes a variety of provisions related to salvage vehicles and vehicles acquired through the payment of damages.

Section 1 [Insurer application for title] permits an insurer or designated agent to apply to the commissioner of public safety for a certificate of title, salvage title, or prior salvage title for a vehicle if (1) the insurer acquires ownership in the vehicle through payment of damages; and (2) the vehicle's owner fails to deliver title to the insurer within 15 days of payment of the claim.

Section 2 [Requirements upon unpaid insurance vehicle claim] provides notice requirements related to salvage vehicle auctions. Insurance companies may direct a salvage vehicle auction company to release a vehicle to its owner or lienholder if the insurance company does not take ownership of the vehicle subject to an insurance claim after it has requested the auction company hold the vehicle.

Upon receiving notice from the insurance company, the auction company must send two notices a minimum of 14 days apart to the owner and any lienholders. The two notices must identify that the vehicle is available for recovery, include an invoice for outstanding charges owed to the auction company, and that the vehicle is available for recovery within 30 days of the first notice. If the vehicle is not recovered by the owner or lienholder within 30 days of the date of the first notice, the vehicle is considered abandoned, the certificate of title for the vehicle is assigned to the auction company, and the auction company may request the department issue a certificate of title free of liens and bears a salvage or prior salvage brand. Establishes notice requirements for vehicles deemed abandoned under this section.