Surety Bonds and Defective Titles

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Purpose

- Generate discussion among jurisdictions
- Understand jurisdictional practices
- Gain ideas for new methods
- Promote consistency to the extent possible
MN Surety Bond Provisions
Minn. Stat. 168A.07

- Dept not satisfied as to ownership or existence of security interests
- Cash deposit or surety bond at \(-\frac{1}{2}\) times the vehicle’s value
- Indemnifies prior owner, secured parties and purchaser
- In effect for three years
- Legend is printed on title certificate
Example

- 1930 Willys Coupe acquired in 1970s with no title or proof of registration
Example

- 1934 Chev pickup; parts collected over 30 years. No title or evidence of registration.

I had collected these parts over 30 years ago to build this truck and never got around to it. Now that I am retired I finally found the time to rebuild.

Describe the condition of the vehicle at the time of purchase/acquisition. (Be Specific):
Cab and doors lying in pile with all wood rotted
All sheet metal bend and twisted
DPPA Ramifications

Situation:
Can’t find owner; MN record exists

- Pre-2000, vehicle ownership record available for a fee
- Now, court motion is only way to obtain data/request title
- Some states provide mailing services
Example

- 1966 Triumph motorcycle
- Bought on Craigslist

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What were the circumstances under which this vehicle was acquired and why is there no document to prove ownership?

I purchased the bike on Craigslist. The previous owner purchased it with intentions of buying a engine and tinkering the motorcycle. He was unable and unmotivated to continue the project due to other interests.

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Describe the condition of the vehicle at the time of purchase/acquisition. (Be Specific):

The frame was in need of new paint, the motor had to be installed and there was no fuel line, electric or oil plumbed.
Example

- 1998 Ford Van, no title

What were the circumstances under which this vehicle was acquired and why is there no documentary proof of ownership? The van was given to Pat and bev Logan from his aunt. The title had gotten lost and his aunt had passed away. And Mr. and Mrs. Pat Logan didn't want to go through all the paper work to obtain a title—so I bought the van from them in hopes that I could get one. Pat Logan is a trucker and is always on the road and didn't wanna mess with the van. I now own this van and is in my possession. Here are 4 pictures.

Describe the condition of the vehicle at the time of purchase/acquisition (be specific): Good shape, runs great, no rust, everything.
NMVTIS

- Information previously not easily accessible:
- NMVTIS shows Missouri title
Repaired Salvage Vehicles

- Vehicle purchased after repairs
- Buyer does not have knowledge of repairs
- Buyer cannot obtain receipts
- Inspection required (MN does not inspect for repairs but instead for proof of ownership/deter theft)
Courts’ concerns

- Most vehicles of relatively low value
- Deters from more serious court matters
- Judicial officers not experts in motor vehicle title law
- Costly and time-consuming for applicants
Other States’ Practices
Questions for Discussion

- Addressing DPPA concerns re release of owner data
- Cost to operate program: volume, increased workloads, handling disputes, administrative burden
- Recommended parameters
- What prevents widespread use, avoidance of TIMA, jumping titles, masking of brands?