



DVS
Driver &
Vehicle Services

Salvage Branding and Inspections Salvage Title Task Force October 6, 2021

Minnesota Department of Public Safety
Driver and Vehicle Services

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What is a Title Brand?

- Official designation appearing on vehicle's title paperwork
- Indicates a vehicle has sustained damage
- Title brands vary by state



What is a Title Brand?

Title Brands Applied to Minnesota Titles

- Salvage
- Prior Salvage
- Flood
- Lemon Law
- Reconstructed
- Rebuilt
- Assembled
- Distinctive



What is a Title Brand?

- 8 title brands are printed on a title highlighted by a black box with offset lettering
- DVS Title and Registration Unit processes all Minnesota titles for motor vehicles, including branded titles

804 Laurel St
Brewster
MN 56401

APPLICANT'S/BUYER'S SIGNATURE(S) All Must Sign

LEMON LAW | **PRIOR SALVAGE**

DRIVER AND VEHICLE SERVICES DIVISION
PHONE 601-297-2126 TTY 601-292-6055
dvs.dps.mn.gov

PS2700-19

KEEP IN A SAFE PLACE. ANY ALTERATION OR ERASURE VOIDS THIS TITLE



What is a Salvage Title Brand?

Salvage Brand

- Vehicle is declared a total loss through an insurance claim
- Vehicle is “repairable” and could be driven on the road again
- Determination is made by the insurance company
- Placed in national database and can be viewed by title and registration authority and law enforcement



What is a Salvage Title Brand?

Salvage Brand Title in Minnesota

- Issued to vehicles
 - Newer than 6 years old;
 - Valued over \$9000; and
 - Insurance company has paid total loss claim
- Salvage Brand Title can be changed to “Prior Salvage” if owner brings vehicle for inspection, documents all major parts used in the repair, submits fees, receipts, forms, and the original salvage title



What is a Junk Title?

Junk or Non-Repairable Title

- Vehicle is declared non-roadworthy and non-repairable through an insurance claim
- Determination is made by the insurance company, not the State
- Placed in national database and can be viewed by title and registration authority and law enforcement



What is a Junk Title?

Junk Vehicle in Minnesota

- Minnesota, along with most other states, does not issue title to vehicles branded “Junk”
- Instead, a Junking Certificate of Title is issued noting the vehicle may not be driven and can only be used for parts
- A vehicle designated as Junk in Minnesota or in another state, cannot be repaired or returned the road; it is no longer eligible for titling in most states



What is a Reconstructed Vehicle?

- A vehicle branded “Reconstructed” has been rebuilt and had its appearance or mode changed
- Minnesota vehicles (both commercial and passenger) are titled according to the VIN on the cab, also known as the public VIN, rather than the VIN on the frame
- Minnesota does not specify which parts of a junked vehicle can be used to reconstruct another vehicle



What is a Reconstructed Vehicle?

- Rebuilders can take a commercial vehicle with Junk status, place a new cab over the frame, and the vehicle will be titled as “Reconstructed” and titled based on the new cab’s VIN
- Some states title based on the VIN on the frame
- If the vehicle described above were moved to one of those states, the owner would not be able to obtain title based on the frame’s junk history



Salvage Vehicles and Insurance Companies

- When an insurance company declares a vehicle salvage or junk, it buys the vehicle back from the owner through an insurance settlement
- Vehicle is placed for sale with a salvage pool dealer
- Rebuilders and Dealers purchase the vehicles with the intent to repair them for resale or to use for parts
- It is estimated the 80% of vehicles sold at auction are provided by insurers



DVS Role in the Salvage Process

- DVS is responsible for Inspection and Titling of vehicles registered in Minnesota
- Vehicles with certain title brands can be repaired, given a new title (that may or may not continue to carry a brand), and returned to the road
- The two largest salvage pool auctioneers sell an estimated 1,000 salvage vehicles in Minnesota per week



What is a Salvage Vehicle Inspection?

- **A salvage vehicle inspection is NOT a safety inspection**
- Identifies possible stolen vehicles and stolen parts
- DVS inspectors work closely with State Patrol Vehicle Crimes Unit when inspection identifies possible criminal activity



What is a Salvage Vehicle Inspection?

- Inspection of a salvage vehicle is intended to prevent vehicle theft crimes and the proliferation of Chop Shops
- Inspection of a salvage vehicle involves identifying:
 - Vehicle
 - Each major part used to repair it
- Inspectors are looking for:
 - Stolen vehicles that may have had a public VIN switched
 - Stolen parts used to repair a salvage or reconstructed vehicle



Who Inspects Salvage Vehicles?

- Minn. Stat. section 168.27, subdivision 15 requires DVS to have a minimum of 7 inspectors
- In FY22-23 DVS has the funding and appropriation for 7 full-time inspectors
- DVS inspectors responsible for inspections related to enforcement of dealer regulations *and* vehicle inspections
- Inspectors split their time between dealer audits and vehicle inspections



Who Inspects Salvage Vehicles?

- Inspectors from the Dealers and Inspections Unit conduct approximately 450-500 vehicle inspections per week at three main locations
- Approximately 200 inspections per month at two additional locations
- Exam and Inspections Specialists at Exam Stations can also conduct VIN inspections at designated Exam Stations



How Does the Salvage Process Work?

A Few Important Notes

- An estimated 9 of 10 salvage vehicles in Minnesota are purchased and brought for inspection by a salvage dealer
- If a private individual purchases a salvage vehicle for repair and inspection, they must pay the taxes and registration and complete the repair and inspection within one year



How Does the Salvage Process Work?

A Few Important Notes

- Commercial vehicles over 16,000 pounds and motorcycles are EXEMPT from damage disclosure requirements
- Commercial vehicles over 16,000 pounds, motorcycles, and restored pioneer vehicles are EXEMPT from title branding requirements
- Minn. Stat. section [325F.6644](#)



How Does the Salvage Process Work?

1. Vehicle Damaged

- Insurance company pays a total loss claim on a vehicle damaged due accident, flood, theft, or other event

2. Title Branded

- Insurance company takes possession of the vehicle and brands the title according to state requirements; salvage, flood, etc.



How Does the Salvage Process Work?

3. Salvage Vehicle Sold

- Vehicle is sold as a salvaged vehicle that “must be inspected”
- This is not a safety inspection



Salvaged commercial boom truck.



How Does the Salvage Process Work?

4. Salvage Vehicle Purchased

- Buyer is often a salvage vehicle dealer
- Intent is to repair the vehicle and sell or use for parts in reconstruction of other vehicles

5. Buyer Repairs Salvage Vehicle

- Buyer can repair with parts from other vehicles or parts purchased from a parts dealer
- Buyer can change the vehicle use in the process, known as Reconstruction



Salvaged commercial boom truck “Reconstructed” into Fire Truck.

Note: Due to statutory exemptions, this vehicle will receive a “Reconstructed” brand following inspection, removing all reference to its salvage history. The seller is also not required to disclose the salvage history to the buyer.



How Does the Salvage Process Work?

6. Vehicle Inspected

- Buyer schedules an inspection at DVS inspection site
- Inspector visually inspects noting major components replaced
- Inspector compares findings to owner's declaration of replaced components
- Inspector verifies owner has receipts for each major replaced component

7. Inspection Results

- If Inspector determines owner has met all requirements and there are no stolen parts, the vehicle receives a "Passed Inspection" rating
- Without a "Passed Inspection" the owner cannot purchase new registration and cannot operate the vehicle on roadways, i.e. the vehicle remains branded as salvage



How Does the Salvage Process Work?

8. Application for New Title and Registration

- Owner takes required forms and original receipts to Deputy Registrar
- Owner pays inspection fee (\$35 + \$11 filing fee)

9. DVS Review

- DVS Title and Registration Unit verifies all required documentation submitted and inspection passed



How Does the Salvage Process Work?

10. Title and Registration Issued – Passenger Vehicle

- Branded Title “Prior Salvage” Issued
- Seller of this vehicle statutorily required to verbally tell buyer of branding status

STATE OF MINNESOTA
CERTIFICATE OF TITLE FOR A MOTOR VEHICLE

Vehicle Identification Number	Year	Make	Model	Body	Title Issue Date	Title Number
SNPDH4AE1 [REDACTED]	2013	HYUN	ELANTRA	SD	Jun 02, 2021	17875468-1

Engine Number: 88000 Odometer: 88000 Condition: USED Acquisition Date: May 21, 2021

NO SECURITY INTERESTS 1/3/1995 OWNER: [REDACTED]

Total Liens 0 56387-1710 WAITE PARK MN 0-005-694-231

INSURANCE SALVAGE HIGH VALUE

ASSIGNMENT BY SELLER (TRANSFEROR)
FEDERAL AND STATE LAWS REQUIRE THAT YOU STATE THE MILEAGE IN CONNECTION WITH THE TRANSFER OF OWNERSHIP. MINNESOTA LAW REQUIRES THAT YOU MAKE A DISCLOSURE ABOUT DAMAGE TO THE VEHICLE. A FALSE OR FRAUDULENT STATEMENT OF PURCHASE BY ANY PERSON IS A GROSS MISDEMEANOR OR FELONY.

ODOMETER DISCLOSURE STATEMENT: I (WE) CERTIFY THAT THE ODOMETER NOW READS [] NO FURTHER MILES AND TO THE BEST OF MY KNOWLEDGE THE ODOMETER RELEASED [] IS ACTUAL MILEAGE [] EXCEEDS MECHANICAL LIMITS OF ODOMETER [] IS NOT ACTUAL MILEAGE - WARNING ODOMETER DISCREPANCY

DAMAGE DISCLOSURE STATEMENT: TO THE BEST OF MY KNOWLEDGE, THIS VEHICLE: [] HAS [] HAS NOT (CHECK ONE) SUSTAINED DAMAGE IN EXCESS OF 30 PERCENT ACTUAL CASH VALUE

ASSIGNMENT: I (WE) CERTIFY THAT THIS VEHICLE IS FREE FROM ALL SECURITY INTERESTS, WARRANT TITLE, AND ASSIGN THE REGISTRATION TAX AND VEHICLE TO:

SELLER'S PRINTED NAME(S) [REDACTED] BUYER'S PRINTED NAME(S) [REDACTED]
SELLER'S ADDRESS [REDACTED] BUYER'S ADDRESS [REDACTED]
SELLER'S SIGNATURE(S) [REDACTED] BUYER'S SIGNATURE(S) [REDACTED]

APPLICATION FOR TITLE BY BUYER (TRANSFEREE), MUST BE SUBMITTED WITHIN 10 DAYS (Please Print)

ALL STATE INSURANCE CO
PO Box 169
Avon, MN 56310

IS THIS VEHICLE SUBJECT TO SECURITY AGREEMENT(S)? [] NO [] YES (IF YES, COMPLETE SECTION BELOW)

PRIOR SALVAGE

KEEP IN A SAFE PLACE - ANY ALTERATION OR ERASURE VOIDS THIS TITLE



How Does the Salvage Process Work?

10. Title and Registration Issued – Exempted Vehicle

- If the rebuilder returns the vehicle back to its original form and function, a CLEAR title with no brand is issued
- Branded title “Reconstructed” issued if the rebuilder changed the vehicle’s appearance and mode of operation; no longer any reference to salvage on the title
- Seller of this vehicle not required to disclose salvage history or branded title to buyer

STATE OF MINNESOTA
CERTIFICATE OF TITLE FOR A MOTOR VEHICLE

Vehicle Identification Number Year Make Model Body Title Issue Date Title Number
PA1RL2E24 2015 PAUG RS May 06, 2021 L235D6010

Engine Number Odometer Condition Acquisition Date
5 5 USED Aug 22, 2016

NO SECURITY INTERESTS
1/23/1990 OWNER

Total Liens 0
DR S AFTON MN
55001-4500

ASSIGNMENT BY SELLER (TRANSFEROR)
I, the undersigned, hereby certify that I am the owner of the vehicle described herein and that I have no other security interests, liens, or claims against the vehicle. I have no other security interests, liens, or claims against the vehicle. I have no other security interests, liens, or claims against the vehicle.

RECONSTRUCTED

M N 22
20947217

KEEP IN A SAFE PLACE. ANY ALTERATION OR ERASURE VOIDS THIS TITLE.



Questions?