



Administrative Impoundment

Driving while intoxicated is a public safety issue here in Minnesota and around the country. Citizens are demanding that the driving privileges of for drug and alcohol abusers be curtailed. The Minnesota Legislature has responded to public policy concerns with a variety of criminal enforcement tools. Drunk drivers can go to jail. They can also have their vehicles confiscated. These two tools are the more extreme and are beyond the scope of these materials. However by for the most common tool is administrative impoundment of license plates.

An administrative impoundment may be initiated by law enforcement or by the Driver and Vehicle Services Division as a result of an alcohol or drug related offense. The impoundment order affects the vehicle driven at the time of the incident, whether owned by the violator (driver) or not, AND ALL vehicles solely or jointly owned or leased by the violator.

Dealers should be aware when they purchase vehicles subject to an impound order. Here will be tip offs:

- Typically the vehicle won't have license plates or the plates will be the special WX, WY, or WZ series.
- The vehicle might have a 7 or 45-day temporary permit issued by law enforcement.
- If you do a title lookup, the record is flagged with an "AI" or "WX" flag.

Dealer purchase of a vehicle subject to an impound order. The general rule is that a dealer may freely purchase and resell a vehicle which was subject to an impound order as long as the transaction is "at arms length" and "in the ordinary course of business." As discussed in the 2001 Legislative Update above, some sales of such vehicles are illegal, but the statutes specifically exempt sales to dealers. Dealers should not facilitate a transaction between related parties to frustrate the purpose of the law. For example a dealer should not accept transfer of a vehicle and then immediately assign the vehicle to a family member of the seller.

When the dealer resells the vehicle to an unrelated party, that new buyer receives ordinary registration (no WX, WY or WZ plates) and the impound order for that vehicle evaporates.

When a dealer buys a vehicle subject to an impound order, DVS requests that the dealer apply for duplicate registration and get new plates immediately. If the dealer waits until the vehicle is sold, the new buyer may have a problem if the vehicle is pulled over before the transfer is complete on the states computer record and the impound flag comes up.

Sale of a vehicle to a customer who is subject to an impound order. It is legal for a person who is subject to an impound order to purchase another vehicle. However any newly purchased vehicle will be subject to the impound order just like currently owned vehicles and the registration will be invalid.

If the dealer knows about the administrative impound, they can facilitate the transaction with the Deputy Register. In addition to the typical paperwork, the customer must complete an Application for Special Registration PS 31125B and submit an extra \$50 special series plate fee. The dealer should pull any current plates on the vehicle while the transaction is being processed. No temporary permits should be issued. The Deputy Registrar can fax a copy of the receipted application to DVS to speed up issuance of the plates.

If the dealer is not aware of the administrative impound, the transaction will be submitted in the ordinary course. DVS will recognize the Drivers License Number when the transaction reaches the central office. DVS will then issue a special title but will hold back on registration. The customer will be advised of the new law, which makes it a misdemeanor to drive on the old plates which may still be on the vehicle.

Trade-in Situation. Assume that a husband and wife come to a dealership to trade in a vehicle that is titled in both of their names. The trade-in vehicle is under an impound order. He's under an impound order. She's not. Is it permissible for them to trade the vehicle in and have the wife only on the new title and the new vehicle escape the impound order? Yes.