

1.1 Senator moves to amend S.F. No. 3806 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended
1.4 to read:

1.5 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must
1.6 perform a transit financial activity review of financial information for the Metropolitan
1.7 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~
1.8 ~~Within 14 days of the end of each fiscal quarter, two times each year. The first report, due~~
1.9 April 1, must include the quarters ending on September 30 and December 31 of the previous
1.10 calendar year. The second report, due October 1, must include the quarters ending on March
1.11 31 and June 30 of the current year. The legislative auditor must submit the review to the
1.12 Legislative Audit Commission and the chairs and ranking minority members of the legislative
1.13 committees with jurisdiction over transportation policy and finance, finance, and ways and
1.14 means.

1.15 (b) At a minimum, each transit financial activity review must include:

1.16 (1) a summary of monthly financial statements, including balance sheets and operating
1.17 statements, that shows income, expenditures, and fund balance;

1.18 (2) a list of any obligations and agreements entered into related to transit purposes,
1.19 whether for capital or operating, including but not limited to bonds, notes, grants, and future
1.20 funding commitments;

1.21 (3) the amount of funds in clause (2) that has been committed;

1.22 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues
1.23 and fund balance compared to expenditures, taking into account:

1.24 (i) all expenditure commitments;

1.25 (ii) cash flow;

1.26 (iii) sufficiency of estimated funds; and

1.27 (iv) financial solvency of anticipated transit projects; and

1.28 (5) a notification concerning whether the requirements under paragraph (c) have been
1.29 met.

1.30 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must
1.31 produce monthly financial statements as necessary for the review under paragraph (b),
1.32 clause (1), and provide timely information as requested by the legislative auditor.

2.1 (d) This subdivision expires on April 15, 2023.

2.2 **EFFECTIVE DATE.** This section is effective June 1, 2018.

2.3 Sec. 2. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

2.4 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is
2.5 established within the transit assistance fund in the state treasury. All money in the account
2.6 is annually appropriated to the Metropolitan Council for ~~the funding of transit systems~~
2.7 system operating expenditures within the metropolitan area under sections 473.384, 473.386,
2.8 473.387, 473.388, and 473.405 to 473.449.

2.9 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
2.10 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

2.11 Sec. 3. Minnesota Statutes 2016, section 80E.13, is amended to read:

2.12 **80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS,**
2.13 **FACTORY BRANCHES.**

2.14 It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch
2.15 to engage in any of the following practices:

2.16 (a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or
2.17 accessories in reasonable time and in reasonable quantity relative to the new motor vehicle
2.18 dealer's facilities and sales potential in the dealer's relevant market area, after having accepted
2.19 an order from a new motor vehicle dealer having a franchise for the retail sale of any new
2.20 motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle
2.21 or new motor vehicle parts or accessories are publicly advertised as being available for
2.22 delivery or actually being delivered. This clause is not violated, however, if the failure is
2.23 caused by acts or causes beyond the control of the manufacturer;

2.24 (b) refuse to disclose to any new motor vehicle dealer handling the same line make, the
2.25 manner and mode of distribution of that line make within the relevant market area;

2.26 (c) obtain money, goods, service, or any other benefit from any other person with whom
2.27 the dealer does business, on account of, or in relation to, the transaction between the dealer
2.28 and the other person, other than for compensation for services rendered, unless the benefit
2.29 is promptly accounted for, and transmitted to, the new motor vehicle dealer;

2.30 (d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered
2.31 for private retail consumers prior to the dealer's receiving the written official price increase

3.1 notification. A sales contract signed by a private retail consumer shall constitute evidence
3.2 of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer
3.3 price reductions, the amount of any reduction received by a dealer shall be passed on to the
3.4 private retail consumer by the dealer if the retail price was negotiated on the basis of the
3.5 previous higher price to the dealer;

3.6 (e) offer any refunds or other types of inducements to any new motor vehicle dealer for
3.7 the purchase of new motor vehicles of a certain line make without making the same offer
3.8 to all other new motor vehicle dealers in the same line make within geographic areas
3.9 reasonably determined by the manufacturer;

3.10 (f) release to any outside party, except under subpoena or in an administrative or judicial
3.11 proceeding involving the manufacturer or dealer, any business, financial, or personal
3.12 information which may be provided by the dealer to the manufacturer, without the express
3.13 written consent of the dealer or unless pertinent to judicial or governmental administrative
3.14 proceedings or to arbitration proceedings of any kind;

3.15 (g) deny any new motor vehicle dealer the right of free association with any other new
3.16 motor vehicle dealer for any lawful purpose;

3.17 (h) unfairly discriminate among its new motor vehicle dealers with respect to warranty
3.18 reimbursement or authority granted its new vehicle dealers to make warranty adjustments
3.19 with retail customers;

3.20 (i) compete with a new motor vehicle dealer in the same line make operating under an
3.21 agreement or franchise from the same manufacturer, distributor, or factory branch. A
3.22 manufacturer, distributor, or factory branch is considered to be competing when it has an
3.23 ownership interest, other than a passive interest held for investment purposes, in a dealership
3.24 of its line make located within the state. A manufacturer, distributor, or factory branch shall
3.25 not, however, be deemed to be competing when operating a dealership, either temporarily
3.26 or for a reasonable period, which is for sale to any qualified independent person at a fair
3.27 and reasonable price, or when involved in a bona fide relationship in which an independent
3.28 person has made a significant investment subject to loss in the dealership and can reasonably
3.29 expect to acquire full ownership and full management and operational control of the
3.30 dealership within a reasonable time on reasonable terms and conditions;

3.31 (j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle
3.32 dealership to a qualified transferee. There shall be no transfer, assignment of the franchise,
3.33 or major change in the executive management of the dealership, except as is otherwise
3.34 provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall

4.1 not be withheld without good cause. In determining whether good cause exists for
4.2 withholding consent to a transfer or assignment, the manufacturer, distributor, factory
4.3 branch, or importer has the burden of proving that the transferee is a person who is not of
4.4 good moral character or does not meet the franchisor's existing and reasonable capital
4.5 standards and, considering the volume of sales and service of the new motor vehicle dealer,
4.6 reasonable business experience standards in the market area. Denial of the request must be
4.7 in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer
4.8 receives the completed application customarily used by the manufacturer, distributor, factory
4.9 branch, or importer for dealer appointments. If a denial is not sent within this period, the
4.10 manufacturer shall be deemed to have given its consent to the proposed transfer or change.
4.11 In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor,
4.12 factory branch, or importer shall be permitted to exercise a right of first refusal to acquire
4.13 the franchisee's assets or ownership if:

4.14 (1) the franchise agreement permits the manufacturer, distributor, factory branch, or
4.15 importer to exercise a right of first refusal to acquire the franchisee's assets or ownership
4.16 in the event of a proposed sale or transfer;

4.17 (2) the proposed transfer of the dealership or its assets is of more than 50 percent of the
4.18 ownership or assets;

4.19 (3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing
4.20 within 60 days of its receipt of the complete written proposal for the proposed sale or transfer
4.21 on forms generally utilized by the manufacturer, distributor, factory branch, or importer for
4.22 such purposes and containing the information required therein and all documents and
4.23 agreements relating to the proposed sale or transfer;

4.24 (4) the exercise of the right of first refusal will result in the dealer and dealer's owners
4.25 receiving the same or greater consideration with equivalent terms of sale as is provided in
4.26 the documents and agreements submitted to the manufacturer, distributor, factory branch,
4.27 or importer under clause (3);

4.28 (5) the proposed change of 50 percent or more of the ownership or of the dealership
4.29 assets does not involve the transfer or sale of assets or the transfer or issuance of stock by
4.30 the dealer or one or more dealer owners to a family member, including a spouse, child,
4.31 stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer
4.32 owner; to a manager who has been employed in the dealership for at least four years and is
4.33 otherwise qualified as a dealer operator; or to a partnership or corporation owned and
4.34 controlled by one or more of such persons; and

5.1 (6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable
5.2 expenses, including reasonable attorney fees, which do not exceed the usual customary and
5.3 reasonable fees charged for similar work done for other clients incurred by the proposed
5.4 new owner and transferee before the manufacturer, distributor, factory branch, or importer
5.5 exercises its right of first refusal, in negotiating and implementing the contract for the
5.6 proposed change of ownership or transfer of dealership assets. However, payment of such
5.7 expenses and attorney fees shall not be required if the dealer has not submitted or caused
5.8 to be submitted an accounting of those expenses within 20 days after the dealer's receipt of
5.9 the manufacturer, distributor, factory branch, or importer's written request for such an
5.10 accounting. The manufacturer, distributor, factory branch, or importer may request such an
5.11 accounting before exercising its right of first refusal. The obligation created under this clause
5.12 is enforceable by the transferee;

5.13 (k) threaten to modify or replace or modify or replace a franchise with a succeeding
5.14 franchise that would adversely alter the rights or obligations of a new motor vehicle dealer
5.15 under an existing franchise or that substantially impairs the sales or service obligations or
5.16 investments of the motor vehicle dealer;

5.17 (l) unreasonably deny the right to acquire factory program vehicles to any dealer holding
5.18 a valid franchise from the manufacturer to sell the same line make of vehicles, provided
5.19 that the manufacturer may impose reasonable restrictions and limitations on the purchase
5.20 or resale of program vehicles to be applied equitably to all of its franchised dealers. For the
5.21 purposes of this paragraph, "factory program vehicle" has the meaning given the term in
5.22 section 80E.06, subdivision 2;

5.23 (m) fail or refuse to offer to its same line make franchised dealers all models manufactured
5.24 for that line make, other than alternative fuel vehicles as defined in section 216C.01,
5.25 subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not
5.26 arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other
5.27 cause over which the manufacturer, distributor, or factory branch has no control;

5.28 (n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's
5.29 existing facilities, or purchase unreasonable advertising displays, training, tools, or other
5.30 materials, or to require the dealer to establish exclusive facilities or dedicated personnel as
5.31 a prerequisite to receiving a model or a series of vehicles;

5.32 (o) require a dealer to adhere to performance standards that are not applied uniformly
5.33 to other similarly situated dealers.

6.1 A performance standard, sales objective, or program for measuring dealership performance
6.2 that may have a material effect on a dealer, including the dealer's right to payment under
6.3 any incentive or reimbursement program, and the application of the standard or program
6.4 by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and
6.5 based on accurate information.

6.6 A manufacturer, distributor, or factory branch has the burden of proving that the performance
6.7 standard, sales objective, or program for measuring dealership performance is fair and
6.8 reasonable under this subdivision;

6.9 (p) unreasonably reduce a dealer's area of sales effectiveness without giving at least 90
6.10 days' notice of the proposed reduction. The change may not take effect if the dealer
6.11 commences a civil action to determine whether there is good cause for the change within
6.12 the 90 days' notice period. The burden of proof in such an action shall be on the manufacturer
6.13 or distributor; ~~or~~

6.14 (q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse
6.15 action against a dealer when a new vehicle sold by the dealer has been exported to a foreign
6.16 country, unless the manufacturer, distributor, or factory branch can show that at the time
6.17 of sale, the customer's information was listed on a known or suspected exporter list made
6.18 available to the dealer, or the dealer knew or reasonably should have known of the purchaser's
6.19 intention to export or resell the motor vehicle in violation of the manufacturer's export
6.20 policy. There is a rebuttable presumption that the dealer did not know or should not have
6.21 reasonably known that the vehicle would be exported or resold in violation of the
6.22 manufacturer's export policy if the vehicle is titled and registered in any state of the United
6.23 States; or

6.24 (r) to implement a charge back or withhold payment to a dealer that is solely due to an
6.25 unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the
6.26 transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice
6.27 of the state's delay in writing. Within 30 days of any notice of a charge back, withholding
6.28 of payments, or denial of a claim, the dealer must transmit to the manufacturer (1)
6.29 documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written
6.30 attestation signed by the dealer operator or general manager stating that the delay is
6.31 attributable to the state. This clause expires on June 30, 2021.

6.32 Sec. 4. Minnesota Statutes 2016, section 161.088, subdivision 2, is amended to read:

6.33 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner
6.34 shall establish a corridors of commerce program for trunk highway construction,

7.1 reconstruction, and improvement, including maintenance operations, that improves commerce
7.2 in the state.

7.3 (b) The commissioner may expend funds under the program from appropriations to the
7.4 commissioner that are:

7.5 (1) made specifically by law for use under this section;

7.6 (2) at the discretion of the commissioner, made for the budget activities in the state roads
7.7 program of operations and maintenance, program planning and delivery, or state road
7.8 construction; and

7.9 (3) made for the corridor investment management strategy program, unless specified
7.10 otherwise.

7.11 (c) The commissioner shall include in the program the cost participation policy for local
7.12 units of government.

7.13 (d) Program funds must be allocated so that no less than 49 percent are for projects
7.14 within the metropolitan area, as defined in section 473.121, subdivision 2, and no less than
7.15 49 percent are for projects outside the metropolitan area, as defined in section 473.121,
7.16 subdivision 2. Up to two percent of program funds may be allocated without regard to the
7.17 project's geographic location.

7.18 Sec. 5. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

7.19 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~
7.20 ~~of Ashby 3 at or near Erdahl,~~ thence extending in a general northerly or northeasterly
7.21 direction to a point on ~~Route No. 153 as herein established at or near Ashby,~~ thence extending
7.22 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near
7.23 Ottertail.

7.24 Sec. 6. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
7.25 read:

7.26 Subd. 87. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.
7.27 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews
7.28 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
7.29 design to mark this highway and erect appropriate signs.

8.1 Sec. 7. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
8.2 read:

8.3 Subd. 88. **Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk
8.4 Highway 210 within Cass County is designated as "Trooper Ray Krueger Memorial
8.5 Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to
8.6 mark this highway and erect appropriate signs in the vicinity of the location where Trooper
8.7 Krueger died.

8.8 Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
8.9 read:

8.10 Subd. 89. **Trooper Dale G. Roehrich Memorial Highway.** That segment of marked
8.11 U.S. Highway 61 from Lake City to Wabasha is designated as "Trooper Dale G. Roehrich
8.12 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
8.13 design to mark this highway and erect appropriate signs.

8.14 Sec. 9. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

8.15 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or
8.16 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into
8.17 a contract for the work by direct negotiation, by obtaining two or more quotations for the
8.18 work, and without advertising for bids or otherwise complying with the requirements of
8.19 competitive bidding if the total contractual obligation of the state for the directly negotiated
8.20 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations
8.21 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

8.22 Sec. 10. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

8.23 As authorized by United States Code, title 23, section 140(d), the commissioner of
8.24 transportation may implement an Indian employment preference for members of federally
8.25 recognized tribes on projects carried out under United States Code, title 23, on or near an
8.26 Indian reservation. For purposes of this section, a project is on or near a reservation if: (1)
8.27 the project is within the distance a person seeking employment could reasonably be expected
8.28 to commute to and from each work day; or (2) the commissioner, in consultation with
8.29 federally recognized Minnesota tribes, determines a project is near an Indian reservation.

9.1 Sec. 11. Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a, is amended
9.2 to read:

9.3 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
9.4 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10
9.5 plus an additional tax equal to 1.25 percent of the base value.

9.6 (b) Subject to the classification provisions herein, "base value" means the manufacturer's
9.7 suggested retail price of the vehicle including destination charge using list price information
9.8 published by the manufacturer or determined by the registrar if no suggested retail price
9.9 exists, and shall not include the cost of each accessory or item of optional equipment
9.10 separately added to the vehicle and the suggested retail price. In the case of the first
9.11 registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to
9.12 individually determine the base value of the vehicle using suggested retail price information
9.13 provided by the manufacturer. The registrar must use the base value determined by the
9.14 dealer to properly classify the vehicle. A dealer that elects to make the determination must
9.15 retain a copy of the suggested retail price label or other supporting documentation with the
9.16 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

9.17 (c) If the manufacturer's list price information contains a single vehicle identification
9.18 number followed by various descriptions and suggested retail prices, the registrar shall
9.19 select from those listings only the lowest price for determining base value.

9.20 (d) If unable to determine the base value because the vehicle is specially constructed,
9.21 or for any other reason, the registrar may establish such value upon the cost price to the
9.22 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
9.23 or use tax or any local sales or other local tax.

9.24 (e) The registrar shall classify every vehicle in its proper base value class as follows:

9.25	FROM	TO
9.26	\$ 0	\$ 199.99
9.27	\$ 200	\$ 399.99

9.28 and thereafter a series of classes successively set in brackets having a spread of \$200
9.29 consisting of such number of classes as will permit classification of all vehicles.

9.30 (f) The base value for purposes of this section shall be the middle point between the
9.31 extremes of its class.

9.32 (g) The registrar shall establish the base value, when new, of every passenger automobile
9.33 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,

10.1 using list price information published by the manufacturer or any nationally recognized
10.2 firm or association compiling such data for the automotive industry. If unable to ascertain
10.3 the base value of any registered vehicle in the foregoing manner, the registrar may use any
10.4 other available source or method. The registrar shall calculate tax using base value
10.5 information available to dealers and deputy registrars at the time the application for
10.6 registration is submitted. The tax on all previously registered vehicles shall be computed
10.7 upon the base value thus determined taking into account the depreciation provisions of
10.8 paragraph (h).

10.9 (h) The annual additional tax must be computed upon a percentage of the base value as
10.10 follows: during the first year of vehicle life, upon 100 percent of the base value; for the
10.11 second year, 90 percent of such value; for the third year, 80 percent of such value; for the
10.12 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
10.13 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
10.14 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
10.15 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

10.16 (i) In no event shall the annual additional tax be less than \$25.

10.17 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,
10.18 the total amount due under this subdivision and subdivision 1m must not exceed the smallest
10.19 total amount previously paid or due on the vehicle.

10.20 Sec. 12. Minnesota Statutes 2016, section 168.013, subdivision 6, is amended to read:

10.21 Subd. 6. **Listing by dealers.** The owner of every motor vehicle not exempted by section
10.22 168.012 or 168.28, ~~shall~~ must, so long as it is subject to taxation within the state, annually
10.23 list and register the same and pay the tax herein provided annually under this section;
10.24 provided, however, that any dealer in motor vehicles, to whom dealer's plates have been
10.25 issued as provided in this chapter, coming into the possession of ~~any such~~ a motor vehicle
10.26 to be held solely for the purpose of sale or demonstration or both, ~~shall be~~ is entitled to
10.27 withhold the tax due on the vehicle from the prior registration period or becoming due on
10.28 such vehicle for the following year and no lien for registration tax as provided in section
10.29 168.31, subdivision 6, shall attach. When, thereafter, ~~such~~ the vehicle is otherwise used or
10.30 is sold, leased, or rented to another person, firm, corporation, or association, the tax for the
10.31 remainder of the year, prorated on a monthly basis, ~~shall become~~ becomes payable
10.32 immediately.

11.1 Sec. 13. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

11.2 Subd. 2a. ~~Failure to send to registrar~~ submit within ten days. Any person who fails
11.3 to mail in the application for registration or transfer with appropriate taxes and fees to the
11.4 commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~
11.5 forms and remittance ~~to the registrar,~~ within ten days following date of sale ~~shall be~~ is guilty
11.6 of a misdemeanor.

11.7 Sec. 14. Minnesota Statutes 2016, section 168.127, subdivision 4, is amended to read:

11.8 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and
11.9 renewals must be filed with the registrar or ~~authorized~~ a deputy registrar.

11.10 Sec. 15. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

11.11 Subd. 6. ~~Fee. Instead of the filing fee described in section 168.33, subdivision 7, For~~
11.12 each vehicle in the fleet, the applicant for fleet registration shall pay:

11.13 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy
11.14 registrar; or

11.15 (2) an equivalent administrative fee to the for transactions processed by the commissioner
11.16 for each vehicle in the fleet, which is imposed instead of the filing fee in section 168.33,
11.17 subdivision 7.

11.18 Sec. 16. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to
11.19 read:

11.20 Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used
11.21 vehicle dealer license, new and used vehicles owned by the entity may be held and offered
11.22 for sale at any of the licensed dealership locations without assigning vehicle ownership or
11.23 title from one licensee to another. This subdivision does not authorize the sale or offering
11.24 for sale of new vehicles by a licensee without a franchise described in subdivision 10.

11.25 Sec. 17. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to
11.26 read:

11.27 Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate
11.28 by name and provide contact information for one or more registrar employees as needed to
11.29 (1) promptly and effectively respond to questions from licensed dealers, and (2) troubleshoot
11.30 dealer issues related to vehicle titling and registration.

12.1 Sec. 18. Minnesota Statutes 2016, section 168.301, subdivision 3, is amended to read:

12.2 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon
12.3 the transfer of title for a motor vehicle, the commissioner of public safety shall impose a
12.4 \$2 additional fee for failure to deliver a title transfer within ten business days. This
12.5 subdivision does not apply to transfers from licensed vehicle dealers.

12.6 Sec. 19. Minnesota Statutes 2016, section 168.326, is amended to read:

12.7 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

12.8 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to
12.9 other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate,
12.10 a driver's license agent or deputy registrar, shall expedite the processing of an application
12.11 for a driver's license, driving instruction permit, Minnesota identification card, or vehicle
12.12 title transaction.

12.13 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service
12.14 fee for each expedited service request processed by the licensing agent or deputy registrar.

12.15 (c) When expedited service is requested, materials must be mailed or delivered to the
12.16 requester within three days of receipt of the expedited service fee excluding Saturdays,
12.17 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply
12.18 with all relevant requirements of the requested document.

12.19 (d) The commissioner may decline to accept an expedited service request if it is apparent
12.20 at the time it is made that the request cannot be granted. The commissioner must not decline
12.21 an expedited service request and must not prevent a driver's license agent or deputy from
12.22 accepting an expedited service request solely on the basis of limitations of the driver and
12.23 vehicle services information technology system.

12.24 (e) The expedited service fees collected under this section for an application for a driver's
12.25 license, driving instruction permit, or Minnesota identification card minus any portion
12.26 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the
12.27 driver services operating account in the special revenue fund specified under section
12.28 299A.705.

12.29 (f) The expedited service fees collected under this section for a transaction for a vehicle
12.30 service minus any portion retained by a licensing agent or deputy registrar under paragraph
12.31 (b) must be paid into the vehicle services operating account in the special revenue fund
12.32 specified under section 299A.705.

13.1 **EFFECTIVE DATE.** This section is effective November 1, 2018.

13.2 Sec. 20. Minnesota Statutes 2016, section 168.33, subdivision 8a, is amended to read:

13.3 Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic
13.4 transmission of a motor vehicle transfer and registration by a new or used motor vehicle
13.5 dealer, a deputy registrar who is equipped with electronic transmission technology and
13.6 trained in its use shall receive the filing fee provided for in subdivision 7 and review the
13.7 transfer of each new or used motor vehicle to determine its genuineness and regularity
13.8 before issuance of a certificate of title, and shall receive and retain the filing fee under
13.9 subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

13.10 (b) The commissioner must establish reasonable performance, security, technical, and
13.11 financial standards to approve and allow companies that provide computer software and
13.12 services to motor vehicle dealers to electronically transmit vehicle title transfer and
13.13 registration information. An approved company must be offered access to department
13.14 facilities, staff, and technology on a fair and reasonable basis.

13.15 Sec. 21. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to
13.16 read:

13.17 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle
13.18 applications and submissions under this chapter and chapter 168A by mail and may process
13.19 the transactions including retention of the appropriate filing fee under subdivision 7.

13.20 Sec. 22. Minnesota Statutes 2016, section 168.346, subdivision 1, is amended to read:

13.21 Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual
13.22 provided to register a vehicle shall be treated as provided by United States Code, title 18,
13.23 section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted
13.24 by that section. The commissioner is prohibited from restricting the uses for which a licensed
13.25 dealer may obtain data as permitted by United States Code, title 18, section 2721, subsections
13.26 (b)(2), (3), (7), and (13). The commissioner shall disclose the data in bulk form to an
13.27 authorized recipient upon request for any of the permissible uses described in United States
13.28 Code, title 18, section 2721.

13.29 (b) The registered owner of a vehicle who is an individual may consent in writing to the
13.30 commissioner to disclose the individual's personal information exempted by United States
13.31 Code, title 18, section 2721, to any person who makes a written request for the personal

14.1 information. If the registered owner is an individual and so authorizes disclosure, the
14.2 commissioner shall implement the request.

14.3 (c) If authorized by the registered owner as indicated in paragraph (b), the registered
14.4 owner's personal information may be used, rented, or sold solely for bulk distribution by
14.5 organizations for business purposes including surveys, marketing, or solicitation.

14.6 Sec. 23. Minnesota Statutes 2016, section 168A.05, is amended by adding a subdivision
14.7 to read:

14.8 Subd. 1d. **Issuance of certificate by deputy registrar.** (a) If an application for a vehicle's
14.9 certificate of title is received by a deputy registrar and the deputy registrar is satisfied as to
14.10 its genuineness and regularity and that the applicant is entitled to the issuance of a certificate
14.11 of title, the deputy registrar may issue a certificate of title for the vehicle.

14.12 (b) On or before August 1, 2019, the commissioner must authorize a deputy registrar to
14.13 issue a certificate of title, subject to procedures established by the commissioner.

14.14 Sec. 24. Minnesota Statutes 2016, section 168A.12, subdivision 2, is amended to read:

14.15 Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest
14.16 of the owner is terminated or the vehicle is sold under a security agreement by a secured
14.17 party named in the certificate of title or an assignee of the secured party, the transferee shall
14.18 promptly mail or deliver to the department the last certificate of title, if available, an
14.19 application for a new certificate in the format the department prescribes, and an affidavit
14.20 made by or on behalf of the secured party or assignee that the interest of the owner was
14.21 lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If
14.22 the secured party or assignee succeeds to the interest of the owner and holds the vehicle for
14.23 resale, the secured party or assignee need not secure a new certificate of title; provided that
14.24 a notice thereof in a format designated by the department is mailed or delivered by the
14.25 secured party or assignee to the department in duplicate within 48 hours, but upon transfer
14.26 to another person the secured party or assignee shall promptly execute assignment and
14.27 warranty of title and mail or deliver to the transferee or the department the certificate, if
14.28 available, the affidavit, and other documents required to be sent to the department by the
14.29 transferee.

14.30 Sec. 25. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

14.31 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in
14.32 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of

15.1 damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp
15.2 the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in
15.3 a manner prescribed by the department. Within ten days of obtaining the title of a vehicle
15.4 through payment of damages, an insurer must notify the department in a manner prescribed
15.5 by the department.

15.6 (b) A person shall immediately apply for a salvage certificate of title if the person acquires
15.7 a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

15.8 (1) is a vehicle that was acquired by an insurer through payment of damages;

15.9 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

15.10 or

15.11 (3) has an out-of-state salvage certificate of title as proof of ownership.

15.12 (c) A self-insured owner of a late-model or high-value vehicle that sustains damage by
15.13 collision or other occurrence which exceeds 80 percent of its actual cash value shall
15.14 immediately apply for a salvage certificate of title.

15.15 Sec. 26. Minnesota Statutes 2016, section 168A.17, is amended by adding a subdivision
15.16 to read:

15.17 Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by
15.18 a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may
15.19 provide a statement of perfection to the secured party on a form provided by the department.
15.20 The statement must certify compliance with subdivision 2 and contain the date of delivery
15.21 to the department. The information provided in the dealer's statement is considered prima
15.22 facie evidence of the facts contained in it.

15.23 Sec. 27. **[168A.241] MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION**
15.24 **ADVISORY COMMITTEE.**

15.25 Subdivision 1. **Members.** (a) The Motor Vehicle Title and Registration Advisory
15.26 Committee consists of the following 13 members:

15.27 (1) two members of the house of representatives, one appointed by the speaker of the
15.28 house and one appointed by the minority leader;

15.29 (2) two members of the senate, one appointed by the majority leader and one appointed
15.30 by the minority leader;

15.31 (3) one representative from the Minnesota Deputy Registrar's Association;

- 16.1 (4) one representative from the Minnesota Automobile Dealers Association;
- 16.2 (5) one representative from the Northland Independent Automobile Dealers Association;
- 16.3 (6) one staff member from the Department of Public Safety Driver and Vehicle Services
- 16.4 Division;
- 16.5 (7) two representatives from deputy registrars, appointed by the commissioner;
- 16.6 (8) two representatives from dealers licensed under section 168.27, appointed by the
- 16.7 commissioner; and
- 16.8 (9) one representative who performs auctions exclusively for dealers licensed under
- 16.9 section 168.27 and not for the general public, appointed by the commissioner following
- 16.10 consultation with eligible auto auction businesses.
- 16.11 (b) Section 15.059 governs the Motor Vehicle Title and Registration Advisory Committee.
- 16.12 (c) Members of the advisory committee must be compensated and reimbursed for
- 16.13 expenses as provided in section 15.059, subdivision 3.
- 16.14 Subd. 2. **Organization.** (a) The members of the advisory committee must annually elect
- 16.15 a chair and other officers as the members deem necessary.
- 16.16 (b) The advisory committee must meet at least two times per year.
- 16.17 Subd. 3. **Open meetings.** The advisory committee is subject to chapter 13D. An advisory
- 16.18 committee meeting occurs when a quorum is present and the members receive information,
- 16.19 discuss, or take action on any matter relating to the advisory committee's duties . The advisory
- 16.20 committee may conduct meetings as provided in section 13D.015 or 13D.02. The advisory
- 16.21 committee may conduct meetings at any location in the state that is appropriate for the
- 16.22 purposes of the advisory committee, provided the location is open and accessible to the
- 16.23 public. For legislative members of the advisory committee, enforcement of this subdivision
- 16.24 is governed by section 3.055, subdivision 2. For nonlegislative members of the advisory
- 16.25 committee, enforcement of this subdivision is governed by section 13D.06, subdivisions 1
- 16.26 and 2.
- 16.27 Subd. 4. **Staff.** The commissioner must provide support staff, office space, and
- 16.28 administrative services to the advisory committee.
- 16.29 Subd. 5. **Duties.** The advisory committee's duties include but are not limited to:
- 16.30 (1) serving in an advisory capacity to the commissioner of public safety and the director
- 16.31 of driver and vehicle services on matters relevant to:

17.1 (i) effective and efficient systems relating to the ownership, transfer, and registration of
17.2 motor vehicles; and

17.3 (ii) planning and implementing future changes and enhancements to vehicle registration
17.4 systems; and

17.5 (2) reviewing and making recommendations with respect to work plans, policy initiatives,
17.6 major activities, and strategic planning.

17.7 Subd. 6. **Report and recommendations.** Beginning February 15, 2019, and annually
17.8 thereafter, the commissioner must prepare and submit to the chairs and ranking minority
17.9 members of the committees of the house of representatives and the senate with jurisdiction
17.10 over motor vehicle title and registration a report that summarizes the advisory committee's
17.11 activities, issues identified by the advisory committee, methods taken to address the issues,
17.12 and recommendations for legislative action, if needed.

17.13 Subd. 7. **Expiration.** The advisory committee expires June 30, 2021.

17.14 Sec. 28. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

17.15 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

17.16 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~
17.17 ~~sum of:~~

17.18 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~
17.19 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~
17.20 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~
17.21 ~~and vehicle services technology account; and~~

17.22 ~~(ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle~~
17.23 ~~services operating account under section 299A.705;~~

17.24 (2) for each security interest when first noted upon a certificate of title, including the
17.25 concurrent notation of any assignment thereof and its subsequent release or satisfaction, the
17.26 sum of \$2, except that no fee is due for a security interest filed by a public authority under
17.27 section 168A.05, subdivision 8;

17.28 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance~~
17.29 ~~of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle~~
17.30 ~~services operating account of the special revenue fund under section 299A.705, and from~~
17.31 ~~July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to~~
17.32 ~~the driver and vehicle services technology account;~~

18.1 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,
18.2 unless noted concurrently with the security interest, the sum of \$1; and

18.3 ~~(5)~~ (4) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must
18.4 be paid into the vehicle services operating account of the special revenue fund under section
18.5 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~
18.6 ~~and credited to the driver and vehicle services technology account.~~

18.7 (b) In addition to the fee required under paragraph (a), clause (1), the department must
18.8 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited
18.9 in the special revenue fund and credited to the public safety motor vehicle account established
18.10 in section 299A.70.

18.11 Sec. 29. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

18.12 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,
18.13 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train
18.14 includes on-track equipment or other rolling stock operated upon rails, whether self-propelled
18.15 or coupled to another device.

18.16 Sec. 30. Minnesota Statutes 2016, section 169.14, subdivision 5, is amended to read:

18.17 Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing
18.18 speed limit upon any street or highway, or part thereof, within their respective jurisdictions
18.19 and not a part of the trunk highway system is greater or less than is reasonable or safe under
18.20 existing conditions, they may request the commissioner to authorize, upon the basis of an
18.21 engineering and traffic investigation, the erection of appropriate signs designating what
18.22 speed is reasonable and safe, and the commissioner may authorize the erection of appropriate
18.23 signs designating a reasonable and safe speed limit thereat, which speed limit shall be
18.24 effective when such signs are erected. Any speeds in excess of these speed limits shall be
18.25 prima facie evidence that the speed is not reasonable or prudent and that it is unlawful;
18.26 except that any speed limit within any municipality shall be a maximum limit and any speed
18.27 in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall
18.28 be made only upon authority of the commissioner except as provided in subdivision 5a.

18.29 (b) At the request of a county board, the commissioner may establish a speed limit in
18.30 excess of 55 miles per hour on a county road or county engineer state-aid highway upon
18.31 the basis of an engineering and traffic investigation. The county engineer must erect
18.32 appropriate signs and the increased speed limit is effective when the signs are erected.

19.1 **EFFECTIVE DATE.** This section is effective June 1, 2018.

19.2 Sec. 31. Minnesota Statutes 2016, section 169.18, subdivision 10, is amended to read:

19.3 Subd. 10. **Slow-moving vehicle.** ~~Upon all roadways any~~ (a) A person operating a vehicle
19.4 ~~proceeding~~ at less than the normal speed of traffic at the time and place and under the
19.5 ~~existing conditions then existing shall be driven~~ must drive in the right-hand lane ~~then~~
19.6 ~~available for traffic~~, or as close as practicable to the right-hand curb or edge of the roadway;
19.7 ~~except when.~~ A person who violates this paragraph must pay a fine of not less than \$100.

19.8 (b) Paragraph (a) does not apply if:

19.9 (1) the vehicle is overtaking and passing another vehicle proceeding in the same direction;
19.10 ~~or when;~~

19.11 (2) the vehicle is preparing for a left to turn left at an intersection or into a private road
19.12 ~~or driveway, or when;~~

19.13 (3) a specific lane is designated and posted for a specific type of traffic; or

19.14 (4) the vehicle is preparing to exit a controlled access highway by using an exit on the
19.15 left side of the road.

19.16 Sec. 32. Minnesota Statutes 2016, section 169.18, subdivision 11, is amended to read:

19.17 Subd. 11. **Passing parked emergency vehicle; citation; probable cause.** (a) When
19.18 approaching and before passing an authorized emergency vehicle with its emergency lights
19.19 activated that is parked or otherwise stopped on or next to a street or highway having two
19.20 lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane
19.21 farthest away from the emergency vehicle, if it is possible to do so.

19.22 (b) When approaching and before passing an authorized emergency vehicle with its
19.23 emergency lights activated that is parked or otherwise stopped on or next to a street or
19.24 highway having more than two lanes in the same direction, the driver of a vehicle shall
19.25 safely move the vehicle so as to leave a full lane vacant between the driver and any lane in
19.26 which the emergency vehicle is completely or partially parked or otherwise stopped, if it is
19.27 possible to do so.

19.28 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and
19.29 before passing an authorized emergency vehicle with its emergency lights activated that is
19.30 parked or otherwise stopped on or next to a street or highway having only one lane in the
19.31 same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed

20.1 that is reasonable and prudent under the conditions until the motor vehicle has completely
20.2 passed the parked or stopped emergency vehicle, if it is possible to do so.

20.3 ~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace
20.4 officer has probable cause to believe that the driver has operated the vehicle in violation of
20.5 this subdivision within the four-hour period following the termination of the incident or a
20.6 receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the
20.7 violation was not committed in the presence of the peace officer.

20.8 ~~(d)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements
20.9 or factors, probable cause is sufficient for purposes of this subdivision when the person
20.10 cited is operating the vehicle described by a member of the crew of an authorized emergency
20.11 vehicle responding to an incident in a timely report of the violation of this subdivision,
20.12 which includes a description of the vehicle used to commit the offense and the vehicle's
20.13 license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d),
20.14 "timely" means that the report must be made within a four-hour period following the
20.15 termination of the incident.

20.16 ~~(e)~~ (f) For purposes of paragraphs (a) ~~and (b) to (c)~~ only, the terms "authorized emergency
20.17 vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011,
20.18 subdivision 12a, that has activated flashing lights authorized under section 169.64,
20.19 subdivision 3, in addition to the vehicles described in the definition for "authorized
20.20 emergency vehicle" in section 169.011, subdivision 3.

20.21 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to offenses
20.22 committed on or after that date.

20.23 Sec. 33. Minnesota Statutes 2016, section 169.18, subdivision 12, is amended to read:

20.24 Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing
20.25 a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or
20.26 construction vehicle with its warning lights activated that is parked or otherwise stopped
20.27 on or next to a street or highway having two lanes in the same direction, the driver of a
20.28 vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped
20.29 vehicle, if it is possible to do so.

20.30 (b) When approaching and before passing a freeway service patrol vehicle, road
20.31 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights
20.32 activated that is parked or otherwise stopped on or next to a street or highway having more
20.33 than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle

21.1 so as to leave a full lane vacant between the driver and any lane in which the vehicle is
21.2 completely or partially parked or otherwise stopped, if it is possible to do so.

21.3 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and
21.4 before passing a freeway service patrol vehicle, road maintenance vehicle, utility company
21.5 vehicle, or construction vehicle with its warning lights activated that is parked or otherwise
21.6 stopped on or next to a street or highway having only one lane in the same direction, the
21.7 driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable
21.8 and prudent under the conditions until the motor vehicle has completely passed the parked
21.9 or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle,
21.10 or construction vehicle, if it is possible to do so.

21.11 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes
21.12 committed on or after that date.

21.13 Sec. 34. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

21.14 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,
21.15 when any person driving a vehicle approaches a railroad grade crossing under any of the
21.16 circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet
21.17 from the nearest railroad track and shall not proceed until safe to do so and until the roadway
21.18 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle
21.19 is at least ten feet past the farthest railroad track. These requirements apply when:

21.20 (1) a clearly visible electric or mechanical signal device warns of the immediate approach
21.21 of a railroad train; or

21.22 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

21.23 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible
21.24 from the crossing is prima facie evidence that it is not safe to proceed.

21.25 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade
21.26 crossing when a human flagger signals the approach or passage of a railroad train or when
21.27 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.
21.28 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals
21.29 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

21.30 Sec. 35. Minnesota Statutes 2016, section 169.28, is amended to read:

21.31 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

22.1 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers
22.2 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus
22.3 whether carrying passengers or not, or of any vehicle that is required to stop at railroad
22.4 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing
22.5 at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more
22.6 than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look
22.7 in both directions along the track for any approaching railroad train, and for signals indicating
22.8 the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, ~~and~~ in this section.
22.9 The driver shall not proceed until safe to do so and until the roadway is clear of traffic so
22.10 that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet
22.11 past the farthest railroad track. The driver must not shift gears while crossing the railroad
22.12 tracks.

22.13 (b) A school bus or Head Start bus shall not be flagged across railroad grade crossings
22.14 except at those railroad grade crossings that the local school administrative officer may
22.15 designate.

22.16 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of
22.17 school buses to stop at railroad grade crossings.

22.18 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle
22.19 track or tracks that are located in a public street when:

22.20 (1) the crossing occurs within the intersection of two or more public streets;

22.21 (2) the intersection is controlled by a traffic-control signal; and

22.22 (3) the intersection is marked with signs indicating to drivers that the requirements of
22.23 this subdivision do not apply. Notwithstanding any other provision of law, the owner or
22.24 operator of the track or tracks is authorized to place, maintain, and display the signs upon
22.25 and in the view of the public street or streets.

22.26 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt
22.27 crossing:

22.28 (1) if the crossing is on a rail line on which service has been abandoned;

22.29 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling
22.30 at speeds of ten miles per hour or less; or

22.31 (3) as agreed to by the operating railroad and the Department of Transportation, following
22.32 a diagnostic review of the crossing.

23.1 (b) The commissioner shall direct the railroad to erect at the crossing signs bearing the
 23.2 word "Exempt" that conform to section 169.06. The installation or presence of an exempt
 23.3 sign does not relieve a driver of the duty to use due care.

23.4 (c) A railroad train must not proceed across an exempt crossing unless a police officer
 23.5 is present to direct traffic or a railroad employee is on the ground to warn traffic until the
 23.6 railroad train enters the crossing.

23.7 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required
 23.8 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad
 23.9 employee.

23.10 Sec. 36. Minnesota Statutes 2016, section 169.29, is amended to read:

23.11 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

23.12 (a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller,
 23.13 or any equipment or structure having a normal operating speed of six or less miles per hour
 23.14 or a vertical body or load clearance of less than nine inches above the level surface of a
 23.15 roadway upon or across any tracks at a railroad grade crossing without first complying with
 23.16 this section.

23.17 (b) Before making any crossing, the person operating or moving any vehicle or equipment
 23.18 set forth in this section shall first stop the same not less than ten, nor more than 50, feet
 23.19 from the nearest rail of the railway, and while so stopped shall listen and look in both
 23.20 directions along the track for any approaching railroad train and for signals indicating the
 23.21 approach of a railroad train, and shall not proceed until the crossing can be made safely.

23.22 (c) No crossing shall be made when warning is given by automatic signal or crossing
 23.23 gates or a flagger or otherwise of the immediate approach of a railroad train or car.

23.24 (d) No stop need be made at a crossing on a rail line on which service has been abandoned
 23.25 and where a sign erected in conformance with section 169.06 and bearing the word "Exempt"
 23.26 has been installed, unless directed otherwise by a flagger. The installation or presence of
 23.27 an exempt sign shall not relieve any driver of the duty to use due care.

23.28 Sec. 37. Minnesota Statutes 2016, section 169.81, subdivision 5, is amended to read:

23.29 Subd. 5. **Manner of loading.** ~~No~~ (a) A vehicle ~~shall~~ must not be driven or moved on
 23.30 any highway unless ~~such~~ the vehicle is so constructed, loaded, or the load securely covered
 23.31 as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping
 23.32 ~~therefrom, except that.~~

24.1 (b) Notwithstanding paragraph (a), a vehicle or combination of vehicles may:

24.2 (1) drop sand ~~may be dropped for the purpose of securing~~ to secure traction; or;

24.3 (2) sprinkle water or other substances ~~may be sprinkled on a roadway in cleaning or~~
24.4 ~~maintaining such~~ to clean or maintain the roadway; or

24.5 (3) leak liquid if transporting sugar beets.

24.6 (c) This subdivision ~~shall~~ does not apply to motor vehicles operated by a farmer or the
24.7 farmer's agent when transporting produce such as small grains, shelled corn, soybeans, or
24.8 other farm produce of a size and density not likely to cause injury to persons or damage to
24.9 property on escaping in small amounts from a vehicle.

24.10 (d) A violation of this subdivision by a vehicle that is carrying farm produce and that is
24.11 not exempted ~~by the preceding sentence~~ under paragraph (c) is a petty misdemeanor.

24.12 **EFFECTIVE DATE.** This section is effective June 1, 2018.

24.13 Sec. 38. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to
24.14 read:

24.15 Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following
24.16 terms have the meanings given them:

24.17 (1) "automobile transporter" means any vehicle combination designed and used to
24.18 transport assembled highway vehicles, including truck camper units;

24.19 (2) "stinger-steered automobile transporter" means a truck tractor semitrailer having the
24.20 fifth wheel located on a drop frame located behind and below the rear-most axle of the
24.21 power unit; and

24.22 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,
24.23 especially when carrying goods back over all or part of the same route.

24.24 (b) Stinger-steered combination automobile transporters having a length of 80 feet or
24.25 less may be operated on interstate highways and other highways designated in this section,
24.26 and may carry a load that extends four feet or less in the front of the vehicle and six feet or
24.27 less in the rear of the vehicle.

24.28 (c) An automobile transporter may transport cargo or general freight on a backhaul,
24.29 provided it complies with weight limitations for a truck tractor and semitrailer combination
24.30 under section 169.824.

25.1 Sec. 39. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

25.2 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision
25.3 1 must:

25.4 (1) comply with seasonal load restrictions in effect between the dates set by the
25.5 commissioner under section 169.87, subdivision 2;

25.6 (2) comply with bridge load limits posted under section 169.84;

25.7 (3) be equipped and operated with six or more axles and brakes on all wheels;

25.8 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle
25.9 weight during the time when seasonal increases are authorized under section 169.826;

25.10 (5) not be operated on interstate highways;

25.11 (6) obtain an annual permit from the commissioner of transportation;

25.12 (7) obey all road postings; and

25.13 (8) not exceed 20,000 pounds gross weight on any single axle.

25.14 (b) A vehicle operated under this section may exceed the legal axle weight limits listed
25.15 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be
25.16 exceeded by not more than 23.75 percent during the time when seasonal increases are
25.17 authorized under section 169.826, subdivision 1.

25.18 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles
25.19 hauling raw or unfinished forest products may also operate on the segment of Interstate
25.20 Route 35 provided under United States Code, title 23, section 127.

25.21 Sec. 40. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended
25.22 to read:

25.23 Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88
25.24 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special
25.25 response vehicle, or a licensed land emergency ambulance service vehicle.

25.26 (b) Emergency vehicles designed to transport personnel and equipment to support the
25.27 suppression of fires and to mitigate other hazardous situations are subject to the following
25.28 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single
25.29 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear
25.30 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency
25.31 vehicle operating on an interstate highway must not exceed 86,000 pounds.

26.1 Sec. 41. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

26.2 Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate
26.3 a motorcycle on any street or highway without having a valid driver's license with a
26.4 two-wheeled vehicle endorsement as provided by law. A person may operate an autocytle
26.5 without a two-wheeled vehicle endorsement, provided the person has a valid driver's license
26.6 issued under section 171.02.

26.7 (b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement
26.8 only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit
26.9 as provided in paragraph (c), (2) has passed a written examination and road test administered
26.10 by the Department of Public Safety for the endorsement, and (3) in the case of applicants
26.11 under 18 years of age, presents a certificate or other evidence of having successfully
26.12 completed an approved two-wheeled vehicle driver's safety course in this or another state,
26.13 in accordance with rules adopted by the commissioner of public safety for courses offered
26.14 by a public, private, or commercial school or institute. The commissioner of public safety
26.15 may waive the road test for any applicant on determining that the applicant possesses a valid
26.16 license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable
26.17 road test for license issuance.

26.18 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction
26.19 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,
26.20 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed
26.21 a written examination for the permit and paid a fee prescribed by the commissioner of public
26.22 safety. A two-wheeled vehicle instruction permit is effective for one year and may be
26.23 renewed under rules prescribed by the commissioner of public safety.

26.24 (d) No person who is operating by virtue of a two-wheeled vehicle instruction permit
26.25 shall:

26.26 (1) carry any passengers on the streets and highways of this state on the motorcycle
26.27 while the person is operating the motorcycle;

26.28 (2) drive the motorcycle at night; or

26.29 ~~(3) drive the motoreycle on any highway marked as an interstate highway pursuant to~~
26.30 ~~title 23 of the United States Code; or~~

26.31 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with
26.32 standards established by the commissioner of public safety.

27.1 (e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue
27.2 a special motorcycle permit, restricted or qualified as the commissioner of public safety
27.3 deems proper, to any person demonstrating a need for the permit and unable to qualify for
27.4 a driver's license.

27.5 Sec. 42. Minnesota Statutes 2016, section 171.041, is amended to read:

27.6 **171.041 RESTRICTED LICENSE FOR FARM WORK.**

27.7 (a) Notwithstanding any provisions of section 171.04 relating to the age of an applicant
27.8 to the contrary, the commissioner may issue a restricted farm work license to operate a
27.9 motor vehicle to a person who has attained the age of 15 years and who, except for age, is
27.10 qualified to hold a driver's license. The applicant is not required to comply with the six-month
27.11 instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and
27.12 171.05, subdivision 2a, or with the 12-month provisional license possession provision of
27.13 section 171.04, subdivision 1, clause (1), item (i).

27.14 (b) The restricted license ~~shall~~ must be issued solely for the purpose of authorizing the
27.15 person to whom the restricted license is issued to assist the person's parents or guardians
27.16 with farm work. An individual may perform farm work under the restricted license for any
27.17 entity authorized to farm under section 500.24. A person holding this restricted license may
27.18 operate a motor vehicle only during daylight hours and only within a radius of ~~20~~ 40 miles
27.19 of the parent's or guardian's farmhouse; however, in no case may a person holding the
27.20 restricted license operate a motor vehicle in a city of the first class.

27.21 (c) An applicant for a restricted license shall apply to the commissioner for the license
27.22 on forms prescribed by the commissioner. The application shall be accompanied by:

27.23 (1) a copy of a property tax statement showing that the applicant's parent or guardian
27.24 owns land that is classified as agricultural land or a copy of a rental statement or agreement
27.25 showing that the applicant's parent or guardian rents land classified as agricultural land; and

27.26 (2) a written verified statement by the applicant's parent or guardian setting forth the
27.27 necessity for the license.

27.28 **EFFECTIVE DATE.** This section is effective June 1, 2018.

27.29 Sec. 43. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended
27.30 to read:

27.31 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

28.1	REAL ID Compliant or				
28.2	Noncompliant Classified				
28.3	Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
28.4	REAL ID Compliant or				
28.5	Noncompliant Classified				
28.6	Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
28.7	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
28.8	REAL ID Compliant or				
28.9	Noncompliant Instruction				
28.10	Permit				\$5.25
28.11	Enhanced Instruction				
28.12	Permit				\$20.25
28.13	Commercial Learner's				
28.14	Permit				\$2.50
28.15	REAL ID Compliant or				
28.16	Noncompliant Provisional				
28.17	License				\$8.25
28.18	Enhanced Provisional				
28.19	License				\$23.25
28.20	Duplicate REAL ID				
28.21	Compliant or Noncompliant				
28.22	License or duplicate REAL				
28.23	ID Compliant or				
28.24	Noncompliant identification				
28.25	card				\$6.75
28.26	Enhanced Duplicate				
28.27	License or enhanced				
28.28	duplicate identification card				\$21.75
28.29	REAL ID Compliant or				
28.30	Noncompliant Minnesota				
28.31	identification card or REAL				
28.32	ID Compliant or				
28.33	Noncompliant Under-21				
28.34	Minnesota identification				
28.35	card, other than duplicate,				
28.36	except as otherwise				
28.37	provided in section 171.07,				
28.38	subdivisions 3 and 3a				\$11.25
28.39	Enhanced Minnesota				
28.40	identification card				\$26.25
28.41	In addition to each fee required in this paragraph, the commissioner shall collect a surcharge				
28.42	of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.				
28.43	Surcharges collected under this paragraph must be credited to the driver and vehicle services				
28.44	technology account in the special revenue fund under section 299A.705.				

28.45 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
28.46 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
28.47 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related

29.1 moving violations, and (3) convictions for moving violations that are not crash related, shall
29.2 have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving
29.3 violation" has the meaning given it in section 171.04, subdivision 1.

29.4 (c) In addition to the driver's license fee required under paragraph (a), the commissioner
29.5 shall collect an additional \$4 processing fee from each new applicant or individual renewing
29.6 a license with a school bus endorsement to cover the costs for processing an applicant's
29.7 initial and biennial physical examination certificate. The department shall not charge these
29.8 applicants any other fee to receive or renew the endorsement.

29.9 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge
29.10 and retain a filing fee as provided under section 171.061, subdivision 4.

29.11 (e) In addition to the fee required under paragraph (a), the commissioner shall charge a
29.12 filing fee at the same amount as a driver's license agent under section 171.061, subdivision
29.13 4. Revenue collected under this paragraph must be deposited in the driver services operating
29.14 account.

29.15 (f) An application for a Minnesota identification card, instruction permit, provisional
29.16 license, or driver's license, including an application for renewal, must contain a provision
29.17 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes
29.18 of public information and education on anatomical gifts under section 171.075.

29.19 Sec. 44. Minnesota Statutes 2016, section 174.12, subdivision 8, is amended to read:

29.20 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the
29.21 commissioner of transportation, with assistance from the commissioner of employment and
29.22 economic development, shall submit a report on the transportation economic development
29.23 program to the chairs and ranking minority members of the legislative committees with
29.24 jurisdiction over transportation policy and finance and economic development policy and
29.25 finance.

29.26 (b) At a minimum, the report must:

29.27 (1) summarize the requirements and implementation of the transportation economic
29.28 development program established in this section;

29.29 (2) review the criteria and economic impact performance measures used for evaluation,
29.30 prioritization, and selection of projects;

29.31 (3) provide a brief overview of each project that received financial assistance under the
29.32 program, which must at a minimum identify:

30.1 (i) basic project characteristics, such as funding recipient, geographic location, and type
30.2 of transportation modes served;

30.3 (ii) sources and respective amounts of project funding; and

30.4 (iii) the degree of economic benefit anticipated or observed, following the economic
30.5 impact performance measures established under subdivision 4;

30.6 (4) identify the allocation of funds, including but not limited to a breakdown of total
30.7 project funds by transportation mode, the amount expended for administrative costs, and
30.8 the amount transferred to the transportation economic development assistance account;

30.9 (5) evaluate the overall economic impact of the program; and

30.10 (6) provide recommendations for any legislative changes related to the program.

30.11 (c) Notwithstanding paragraph (a), a report is not required in an odd-numbered year if
30.12 no project received financial assistance during the preceding 24 months.

30.13 Sec. 45. Minnesota Statutes 2016, section 174.37, subdivision 6, is amended to read:

30.14 Subd. 6. **Expiration.** The committee expires June 30, ~~2018~~ 2022.

30.15 Sec. 46. Minnesota Statutes 2016, section 174.66, is amended to read:

30.16 **174.66 CONTINUATION OF CARRIER RULES.**

30.17 (a) Orders and directives in force, issued, or promulgated under authority of chapters
30.18 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
30.19 modified, or superseded by duly authorized orders or directives of the commissioner of
30.20 transportation. To the extent allowed under federal law or regulation, rules adopted under
30.21 authority of the following sections are transferred to the commissioner of transportation
30.22 and continue in force and effect until repealed, modified, or superseded by duly authorized
30.23 rules of the commissioner:

30.24 (1) section 218.041 except rules related to the form and manner of filing railroad rates,
30.25 railroad accounting rules, and safety rules;

30.26 (2) section 219.40;

30.27 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits
30.28 under section 221.031, subdivision 1; and

30.29 ~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~
30.30 ~~and~~

31.1 ~~(5)~~ rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under
31.2 section 221.121.

31.3 (b) The commissioner shall review the transferred rules, orders, and directives and, when
31.4 appropriate, develop and adopt new rules, orders, or directives.

31.5 Sec. 47. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

31.6 Subd. 2d. **Hours of service exemptions.** The federal regulations incorporated in section
31.7 221.0314, subdivision 9, for ~~maximum driving and on-duty time~~, hours of service do not
31.8 apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the
31.9 source of the commodities, or from the retail or wholesale distribution point of the farm
31.10 supplies, for:

31.11 (1) agricultural commodities; or

31.12 (2) farm supplies for agricultural purposes from March 15 to December 15 of each year;
31.13 ~~or.~~

31.14 ~~(2) sugar beets from September 1 to May 15 of each year.~~

31.15 Sec. 48. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

31.16 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,
31.17 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and
31.18 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections
31.19 or paragraphs not incorporated in this subdivision are not incorporated by reference.

31.20 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the
31.21 planting and harvest period for Minnesota is from January 1 through December 31 of each
31.22 year.

31.23 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to
31.24 drivers of lightweight vehicles.

31.25 Sec. 49. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

31.26 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be
31.27 corrected and administratively assessing monetary penalties for a violation of (1) section
31.28 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)
31.29 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway
31.30 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous

32.1 waste, motor carrier operations, or insurance, or tariffs and accounting. An order must be
32.2 issued as provided in this section.

32.3 Sec. 50. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

32.4 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order
32.5 assessing a penalty of up to \$5,000 for all violations identified during a single audit or
32.6 investigation of (1) section 221.021^{1/2}, 221.141^{1/2}, or 221.171, or (2) rules of the commissioner
32.7 relating to motor carrier operations; or insurance, or tariffs and accounting, identified during
32.8 a single inspection, audit, or investigation.

32.9 (b) The commissioner may issue an order assessing a penalty up to a maximum of
32.10 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
32.11 inspection or audit.

32.12 (c) In determining the amount of a penalty, the commissioner shall consider:

32.13 (1) the willfulness of the violation;

32.14 (2) the gravity of the violation, including damage to humans, animals, air, water, land,
32.15 or other natural resources of the state;

32.16 (3) the history of past violations, including the similarity of the most recent violation
32.17 and the violation to be penalized, the time elapsed since the last violation, the number of
32.18 previous violations, and the response of the person to the most recent violation identified;

32.19 (4) the economic benefit gained by the person by allowing or committing the violation;
32.20 and

32.21 (5) other factors as justice may require, if the commissioner specifically identifies the
32.22 additional factors in the commissioner's order.

32.23 (d) The commissioner shall assess a penalty in accordance with Code of Federal
32.24 Regulations, title 49, section 383.53, against:

32.25 (1) a driver who is convicted of a violation of an out-of-service order;

32.26 (2) an employer who knowingly allows or requires an employee to operate a commercial
32.27 motor vehicle in violation of an out-of-service order; or

32.28 (3) an employer who knowingly allows or requires an employee to operate a commercial
32.29 motor vehicle in violation of a federal, state, or local law or regulation pertaining to
32.30 railroad-highway grade crossings.

33.1 Sec. 51. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

33.2 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued
33.3 by the commissioner which grants a certificate or permit must contain a service date.

33.4 (b) The person to whom the order granting the certificate or permit is issued shall do
33.5 the following within 45 days from the service date of the order:

33.6 (1) register vehicles which will be used to provide transportation under the permit or
33.7 certificate with the commissioner and pay the vehicle registration fees required by law; and

33.8 (2) file and maintain insurance or bond as required by section 221.141 and rules of the
33.9 commissioner; and

33.10 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

33.11 Sec. 52. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

33.12 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ **Tariff maintenance and**
33.13 **contents.** A household goods carrier mover shall ~~file and maintain with the commissioner~~
33.14 a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared~~
33.15 ~~and filed in accordance with the rules of the commissioner. When tariffs are filed in~~
33.16 ~~accordance with the rules and accepted by the commissioner, the filing constitutes notice~~
33.17 ~~to the public and interested parties of the contents of the tariffs. The commissioner shall not~~
33.18 ~~accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly~~
33.19 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~
33.20 ~~this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly~~
33.21 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~
33.22 ~~this section, after notification and investigation by the department, the commissioner may~~
33.23 ~~suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon~~
33.24 ~~notice to the household goods carrier filing the proposed tariffs and to other interested~~
33.25 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~
33.26 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~
33.27 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~
33.28 ~~subsequent supplements to them or reissues of them must state the effective date, which~~
33.29 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~
33.30 ~~by special permission of the commissioner. A household goods mover must prepare a tariff~~
33.31 ~~under this section in accordance with Code of Federal Regulations, title 49, part 1310.3,~~
33.32 ~~which is incorporated by reference.~~

34.1 Sec. 53. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision
34.2 to read:

34.3 Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must
34.4 maintain all of its effective tariffs at its principal place of business and at each of its terminal
34.5 locations, and must make the tariffs available to the public for inspection at all times the
34.6 household goods mover is open for business. Any publication referred to in a tariff must be
34.7 maintained with that tariff.

34.8 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff
34.9 provisions, or tariff subscriptions to the commissioner or any interested person.

34.10 Sec. 54. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

34.11 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier
34.12 ~~shall~~ mover must not charge or receive a greater, lesser, or different compensation for the
34.13 transportation of persons or property or for related service; provided than the rates and
34.14 charges named in the carrier's schedule on file and in effect with the commissioner including
34.15 any rate fixed by the commissioner specified in the tariff under section 221.161; ~~nor shall~~.
34.16 A household goods carrier mover must not refund or remit in any manner or by any device,
34.17 directly or indirectly, the rates and charges required to be collected by the carrier mover
34.18 under the carrier's mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

34.19 Sec. 55. Minnesota Statutes 2016, section 299A.01, is amended by adding a subdivision
34.20 to read:

34.21 Subd. 8. **Highway user tax distribution fund use limitation.** The commissioner must
34.22 not spend any money from the highway user tax distribution fund for employees working
34.23 in the public information center or comparable customer service positions elsewhere in the
34.24 department.

34.25 Sec. 56. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

34.26 A driver and vehicle services fund is established within the state treasury. The fund
34.27 consists of accounts and money as specified by law, and any other money otherwise donated,
34.28 allotted, appropriated, or legislated to the fund.

34.29 Sec. 57. Minnesota Statutes 2016, section 299A.705, is amended to read:

34.30 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

35.1 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating
35.2 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all
35.3 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any
35.4 other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

35.5 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner
35.6 of public safety to administer the vehicle services as specified in chapters 168, 168A, and
35.7 168D, and section 169.345, including:

35.8 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,
35.9 and titles;

35.10 (2) collecting title and registration taxes and fees;

35.11 (3) transferring vehicle registration plates and titles;

35.12 (4) maintaining vehicle records;

35.13 (5) issuing disability certificates and plates;

35.14 (6) licensing vehicle dealers;

35.15 (7) appointing, monitoring, and auditing deputy registrars; and

35.16 (8) inspecting vehicles when required by law.

35.17 Subd. 2. **Driver services operating account.** (a) The driver services operating account
35.18 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money
35.19 collected under chapter 171 and any other money otherwise donated, allotted, appropriated,
35.20 or legislated to the account.

35.21 (b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner
35.22 of public safety to administer the driver services specified in chapters 169A and 171,
35.23 including the activities associated with producing and mailing drivers' licenses and
35.24 identification cards and notices relating to issuance, renewal, or withdrawal of driving and
35.25 identification card privileges for any fiscal year or years and for the testing and examination
35.26 of drivers.

35.27 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle
35.28 services technology account is created in the ~~special revenue~~ driver and vehicle services
35.29 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~
35.30 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~
35.31 and any other money otherwise donated, allotted, appropriated, or legislated to this account.

36.1 (b) Money in the account is annually appropriated to the commissioner of public safety
 36.2 to support the research, development, deployment, and maintenance of a driver and vehicle
 36.3 services information system.

36.4 (c) ~~Following completion of the deposit of filing fee revenue into the driver and vehicle~~
 36.5 ~~services technology account as provided under section 168.33, subdivision 7~~ Annually by
 36.6 February 1, the commissioner ~~shall~~ must submit a ~~notification~~ report to the chairs and
 36.7 ranking minority members of the legislative committees with jurisdiction over transportation
 36.8 policy and finance ~~concerning driver and vehicle services information system implementation,~~
 36.9 ~~which must include information~~ on (1) total revenue deposited in the driver and vehicle
 36.10 services technology account for the previous calendar year, with a breakdown by sources
 36.11 of funds; (2) total project costs incurred through December 31 of the previous calendar year,
 36.12 with a breakdown by key project components; and (3) an estimate of ongoing system
 36.13 maintenance costs.

36.14 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending
 36.15 money from driver and vehicle services accounts created in the ~~special revenue~~ driver and
 36.16 vehicle services fund for any purpose that is not specifically authorized in this section or in
 36.17 the chapters specified in this section.

36.18 Sec. 58. Minnesota Statutes 2016, section 473.13, subdivision 1, is amended to read:

36.19 Subdivision 1. **Budget.** (a) Except as provided in paragraph (b), on or before December
 36.20 20 of each year, the council shall adopt a final budget covering its anticipated receipts and
 36.21 disbursements for the ensuing year and shall decide upon the total amount necessary to be
 36.22 raised from ad valorem tax levies to meet its budget. The budget ~~shall~~ must state in detail
 36.23 the expenditures for each program to be undertaken, including the expenses for salaries,
 36.24 consultant services, overhead, travel, ~~printing~~, and other items. The budget ~~shall~~ must state
 36.25 in detail the council's nontransportation capital expenditures of the council for the budget
 36.26 year, based on a five-year capital program adopted by the council and transmitted to the
 36.27 legislature. After adoption of the budget and no later than five working days after December
 36.28 20, the council shall certify to the auditor of each metropolitan county the share of the tax
 36.29 to be levied within that county, which must be an amount bearing the same proportion to
 36.30 the total levy agreed on by the council as the net tax capacity of the county bears to the net
 36.31 tax capacity of the metropolitan area. The maximum amount of any levy made for the
 36.32 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

36.33 (b) For the transportation components of the council's budgeting, each fiscal year starts
 36.34 July 1 and ends the following June 30. On or before June 15 of each year, the council must

37.1 adopt a final budget for the transportation components that identifies its anticipated receipts
 37.2 and disbursements for the next fiscal year. The budget must state in detail the expenditures
 37.3 to be undertaken for each program, including the expenses for salaries, consultant services,
 37.4 overhead, travel, and other items. The budget must state in detail the council's transportation
 37.5 capital expenditures for the budget year, based on a five-year capital program adopted by
 37.6 the council and transmitted to the legislature.

37.7 ~~(b)~~ (c) As part of the budget under paragraph (b) in each even-numbered year, the council
 37.8 ~~shall~~ must prepare for its transit programs a financial plan for the succeeding three ~~calendar~~
 37.9 fiscal years, in half-year segments. The financial plan must contain schedules of user charges
 37.10 and any changes in user charges planned or anticipated by the council during the period of
 37.11 the plan. The financial plan must contain a proposed request for state financial assistance
 37.12 for the succeeding biennium.

37.13 ~~(e)~~ (d) In addition, the each budget under paragraphs (a) and (b) must show for each
 37.14 year:

37.15 (1) the estimated operating revenues from all sources including funds on hand at the
 37.16 beginning of the year, and estimated expenditures for costs of operation, administration,
 37.17 maintenance, and debt service;

37.18 (2) capital improvement funds estimated to be on hand at the beginning of the year and
 37.19 estimated to be received during the year from all sources and estimated cost of capital
 37.20 improvements to be paid out or expended during the year, all in such detail and form as the
 37.21 council may prescribe; and

37.22 (3) the estimated source and use of pass-through funds.

37.23 **EFFECTIVE DATE; APPLICATION.** This section is effective beginning with the
 37.24 transportation budget period under paragraph (b) that starts July 1, 2019, and applies in the
 37.25 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

37.26 Sec. 59. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
 37.27 read:

37.28 Subd. 1d. **Budget changes or variances; reports.** At least quarterly by January 1, April
 37.29 1, July 1, and October 1, the council must submit a summary to the chairs and ranking
 37.30 minority members of the house of representatives and senate committees with jurisdiction
 37.31 over transportation policy and finance and to the Legislative Commission on Metropolitan
 37.32 Government on any changes to or variances from the budget adopted under subdivision 1.

38.1 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
38.2 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

38.3 Sec. 60. Minnesota Statutes 2016, section 473.13, subdivision 4, is amended to read:

38.4 Subd. 4. **Accounts; accounting system; controls; audits.** (a) The council shall keep
38.5 an accurate account of its receipts and disbursements. For the transportation and transit
38.6 components of the council's financial activity, the council must use the state accounting
38.7 system maintained by the commissioner of management and budget under sections 16A.14
38.8 and 16A.15.

38.9 (b) Disbursements of council money must be made by check or by electronic funds
38.10 transfer, signed or authorized by the chair or vice-chair of the council, and countersigned
38.11 or authorized by its regional administrator or designee after whatever auditing and approval
38.12 of the expenditure may be required by the council.

38.13 (c) The state auditor shall audit the books and accounts of the council once each year,
38.14 or as often as funds and personnel of the state auditor permit. The council shall pay to the
38.15 state the total cost and expenses of the examination, including the salaries paid to the auditors
38.16 while actually engaged in making the examination. The general fund must be credited with
38.17 all collections made for any examination.

38.18 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, for the
38.19 transportation budget period that starts on that date and applies in the counties of Anoka,
38.20 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

38.21 Sec. 61. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
38.22 read:

38.23 Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with
38.24 the commissioner of management and budget and as required by section 16A.103, the
38.25 council must prepare in February and November of each year a financial overview and
38.26 forecast of revenues and expenditures for the transportation components of the council's
38.27 budget.

38.28 (b) At a minimum, the financial overview and forecast must identify:

38.29 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous
38.30 four budget years;

38.31 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances
38.32 for each year within the state forecast period; and

39.1 (3) a comparison of the information under clause (2) to the prior forecast, including any
39.2 changes made.

39.3 (c) The information under paragraph (b), clauses (1) and (2), must include:

39.4 (1) a breakdown for each transportation operating budget category established by the
39.5 council, including but not limited to bus, light rail transit, commuter rail, planning, special
39.6 transportation service under section 473.386, and assistance to replacement service providers
39.7 under section 473.388;

39.8 (2) data for both transportation operating and capital expenditures; and

39.9 (3) fund balances for each replacement service provider under section 473.388.

39.10 (d) The financial overview and forecast must summarize reserve policies, identify the
39.11 methodology for cost allocation, and review revenue assumptions and variables affecting
39.12 the assumptions.

39.13 (e) The council must review the financial overview and forecast information with the
39.14 chairs and legislative staff of the legislative committees with jurisdiction over finance, ways
39.15 and means, and transportation finance no later than two weeks following the release of the
39.16 forecast.

39.17 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
39.18 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

39.19 Sec. 62. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
39.20 read:

39.21 Subd. 7. **Budget assumptions.** (a) As part of the budget submission to the legislature
39.22 under section 16A.11, the council must explicitly identify the assumptions used (1) to prepare
39.23 the budget submission, and (2) for any underlying documentation or plans regarding
39.24 transportation and transit.

39.25 (b) As part of the budget submission to the legislature under section 16A.11, the council
39.26 must include copies of any report, application, or related document submitted to the Federal
39.27 Transit Administration since the previous budget submission was provided to the legislature.
39.28 In the budget submission, the council must explicitly identify the assumptions used to
39.29 prepare each of the reports, applications, or related documents.

39.30 (c) In the budget submission to the legislature under section 16A.11, the council must
39.31 include a section that provides a detailed explanation of the impact each assumption identified
39.32 in paragraphs (a) and (b) has on the council's financial forecast.

40.1 Sec. 63. Minnesota Statutes 2016, section 473.146, subdivision 1, is amended to read:

40.2 Subdivision 1. **Requirement.** The council ~~shall~~ must adopt a long-range comprehensive
40.3 policy ~~plan~~ plans for transportation and wastewater treatment. ~~The plans~~ Each policy plan
40.4 must substantially conform to all policy statements, purposes, goals, standards, and maps
40.5 in the development guide developed and adopted by the council under section 473.145 and
40.6 this chapter. Each policy plan must include, to the extent appropriate to the functions,
40.7 services, and systems covered, the following:

40.8 (1) forecasts of changes in the general levels and distribution of population, households,
40.9 employment, land uses, and other relevant matters, for the metropolitan area and appropriate
40.10 subareas;

40.11 (2) a statement of issues, problems, needs, and opportunities with respect to the functions,
40.12 services, and systems covered;

40.13 (3) a statement of the council's goals, objectives, and priorities with respect to the
40.14 functions, services, and systems covered, addressing areas and populations to be served,
40.15 the levels, distribution, and staging of services; a general description of the facility systems
40.16 required to support the services; the estimated cost of improvements required to achieve
40.17 the council's goals for the regional systems, including an analysis of what portion of the
40.18 funding for each improvement is proposed to come from the state, Metropolitan Council
40.19 levies, and cities, counties, and towns in the metropolitan area, respectively, and other
40.20 similar matters;

40.21 (4) a statement of policies to effectuate the council's goals, objectives, and priorities;

40.22 (5) a statement of the fiscal implications of the council's plan, including a statement of:
40.23 (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under
40.24 existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if
40.25 any, that are or may be required to effectuate the council's goals, objectives, and priorities;
40.26 and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental
40.27 aids respectively, that are expected or that the council has recommended or may recommend;

40.28 (6) a statement of the relationship of the policy plan to other policy plans and ~~chapters~~
40.29 relevant portions of the ~~Metropolitan~~ development guide;

40.30 (7) a statement of the relationships to local comprehensive plans prepared under sections
40.31 473.851 to 473.871; and

41.1 (8) additional general information as may be necessary to develop the policy plan or as
 41.2 may be required by the laws relating to the metropolitan agency and function covered by
 41.3 the policy plan.

41.4 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
 41.5 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

41.6 Sec. 64. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

41.7 Subd. 3. ~~Development guide: Transportation policy plan.~~ (a) The transportation
 41.8 ~~chapter~~ policy plan must include policies relating to all transportation forms and be designed
 41.9 to promote the legislative determinations, policies, and goals set forth in section 473.371.

41.10 (b) In addition to the requirements regarding the contents of the policy plan under
 41.11 subdivision 1, the plan must include:

41.12 (1) a fully constrained scenario that assumes no revenue increase from current law and
 41.13 no inflationary increases;

41.14 (2) a partially constrained scenario that assumes no revenue increase from current law
 41.15 but includes reasonable inflationary increases; and

41.16 (3) an envisioned revenue scenario that identifies a revenue increase in an amount that
 41.17 accommodates transportation system maintenance, improvements, and expansion, including
 41.18 for state and local roads, regular route bus service, busways, and guideways.

41.19 (c) The estimates under each scenario in paragraph (b) must identify anticipated long-term
 41.20 transit system impacts, including unfunded costs for each transit mode and any reductions
 41.21 in regular route bus service hours.

41.22 (d) In addition to the requirements of subdivision 1 regarding the contents of the policy
 41.23 plan, the nontransit ~~element~~ portion of the ~~transportation chapter~~ plan must include the
 41.24 following:

41.25 (1) a statement of the needs and problems of the metropolitan area with respect to the
 41.26 functions covered, including the present and prospective demand for and constraints on
 41.27 access to regional business concentrations and other major activity centers and the constraints
 41.28 on and acceptable levels of development and vehicular trip generation at such centers;

41.29 (2) the objectives of and the policies to be forwarded by the policy plan;

41.30 (3) a general description of the physical facilities and services to be developed;

41.31 (4) a statement as to the general location of physical facilities and service areas;

42.1 (5) a general statement of timing and priorities in the development of those physical
42.2 facilities and service areas;

42.3 (6) a detailed statement, updated every two years, of timing and priorities for
42.4 improvements and expenditures needed on the metropolitan highway system;

42.5 (7) a general statement on the level of public expenditure appropriate to the facilities;
42.6 and

42.7 (8) a long-range assessment of air transportation trends and factors that may affect airport
42.8 development in the metropolitan area and policies and strategies that will ensure a
42.9 comprehensive, coordinated, and timely investigation and evaluation of alternatives for
42.10 airport development.

42.11 (e) The council shall develop the nontransit element portion in consultation with the
42.12 transportation advisory board and the Metropolitan Airports Commission and cities having
42.13 an airport located within or adjacent to its corporate boundaries. The council shall also take
42.14 into consideration the airport development and operations plans and activities of the
42.15 commission. The council shall transmit the results to the state Department of Transportation.

42.16 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, applies
42.17 for the next regular update to the transportation policy plan, and applies in the counties of
42.18 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

42.19 Sec. 65. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended
42.20 to read:

42.21 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been
42.22 used to pay for light rail transit operations, 50 percent of the remaining operating costs must
42.23 be paid by the state.

42.24 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs
42.25 must be paid from nonstate sources for a segment of a light rail transit line or line extension
42.26 project that formally entered the engineering phase of the Federal Transit Administration's
42.27 "New Starts" capital investment grant program between August 1, 2016, and December 31,
42.28 2016.

42.29 (c) For purposes of this subdivision, operating costs consist of the costs associated with
42.30 light rail system daily operations and the maintenance costs associated with keeping light
42.31 rail services and facilities operating. Operating costs do not include costs incurred to enhance
42.32 or expand the existing system, construct new buildings or facilities, purchase new vehicles,
42.33 or make technology improvements.

43.1 Sec. 66. Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 2, is amended
43.2 to read:

43.3 Subd. 2. **Legislative report.** (a) By October 15 in every even-numbered year, the council
43.4 must prepare, in collaboration with the commissioner, a report on comprehensive transit
43.5 finance in the metropolitan area. The council must submit the report electronically to the
43.6 chairs and ranking minority members of the legislative committees with jurisdiction over
43.7 transportation policy and finance.

43.8 (b) The report must be structured to provide financial information in six-month increments
43.9 corresponding to state and local fiscal years, and must use consistent assumptions and
43.10 methodologies. The report must explicitly identify and explain the assumptions and
43.11 methodologies used to prepare the report. The report must comprehensively identify all
43.12 funding sources and expenditures related to transit in the metropolitan area, including but
43.13 not limited to:

43.14 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,
43.15 counties, and cities;

43.16 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other
43.17 transit project development; and

43.18 (3) expenditures for guideways, busways, regular route bus service, demand-response
43.19 service, and special transportation service under section 473.386.

43.20 (c) The report must include a section that summarizes the status of (1) guideways in
43.21 revenue operation, and (2) guideway projects (i) currently in study, planning, development,
43.22 or construction; (ii) identified in the transportation policy plan under section 473.146; or
43.23 (iii) identified in the comprehensive statewide freight and passenger rail plan under section
43.24 174.03, subdivision 1b.

43.25 (d) At a minimum, the guideways status section of the report must provide for each
43.26 guideway project wholly or partially in the metropolitan area:

43.27 (1) a brief description of the project, including projected ridership;

43.28 (2) a summary of the overall status and current phase of the project;

43.29 (3) a timeline that includes (i) project phases or milestones, including any federal
43.30 approvals; (ii) expected and known dates of commencement of each phase or milestone;
43.31 and (iii) expected and known dates of completion of each phase or milestone;

44.1 (4) a brief progress update on specific project phases or milestones completed since the
44.2 last previous submission of a report under this subdivision; and

44.3 (5) a summary financial plan that identifies, as reflected by the data and level of detail
44.4 available in the latest phase of project development and to the extent available:

44.5 (i) capital expenditures, including expenditures to date and total projected expenditures,
44.6 with a breakdown by committed and proposed sources of funds for the project;

44.7 (ii) estimated annual operations and maintenance expenditures reflecting the level of
44.8 detail available in the current phase of the project development, with a breakdown by
44.9 committed and proposed sources of funds for the project; and

44.10 (iii) if feasible, project expenditures by budget activity.

44.11 (e) The report must include a section that summarizes the status of (1) busways in revenue
44.12 operation, and (2) busway projects currently in study, planning, development, or construction.

44.13 (f) The report must include a section that identifies the total ridership, farebox recovery
44.14 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation
44.15 by a transit provider, including guideways, busways, and regular route bus service; and (2)
44.16 demand-response service and special transportation service. The section must provide data,
44.17 as available on a per-passenger mile basis and must provide information for at least the
44.18 previous three years. The section must identify performance standards for farebox recovery
44.19 and identify each route and line that does not meet the standards.

44.20 (g) The report must also include a systemwide capacity analysis for transit operations
44.21 and investment in expansion and maintenance that:

44.22 (1) provides a funding projection, annually over the ensuing ten years, and with a
44.23 breakdown by committed and proposed sources of funds, of:

44.24 (i) total capital expenditures for guideways and for busways;

44.25 (ii) total operations and maintenance expenditures for guideways and for busways;

44.26 (iii) total funding available for guideways and for busways, including from projected or
44.27 estimated farebox recovery; and

44.28 (iv) total funding available for transit service in the metropolitan area; and

44.29 (2) evaluates the availability of funds and distribution of sources of funds for guideway
44.30 and for busway investments.

45.1 (h) The capacity analysis under paragraph (g) must include all guideway and busway
 45.2 lines for which public funds are reasonably expected to be expended in planning,
 45.3 development, construction, revenue operation, or capital maintenance during the ensuing
 45.4 ten years.

45.5 (i) Local units of government must provide assistance and information in a timely manner
 45.6 as requested by the commissioner or council for completion of the report.

45.7 Sec. 67. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

45.8 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**
 45.9 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public
 45.10 transit buses that manufactures at least 100 public transit buses in a calendar year. For
 45.11 purposes of this section, "public transit bus" means a motor vehicle designed to transport
 45.12 people, with a design capacity for carrying more than 40 passengers, including the driver.
 45.13 The term "public transit bus" does not include a school bus, as defined in section 169.011,
 45.14 subdivision 71.

45.15 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32
 45.16 do not apply to any projects of the Department of Transportation (1) costing less than the
 45.17 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent
 45.18 installation of heavy machinery, fixtures, or other capital equipment to be used primarily
 45.19 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

45.20 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,
 45.21 grading, or other similar routine road maintenance on town roads.

45.22 Sec. 68. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is
 45.23 amended to read:

45.24 Subd. 2. **Administration and Related Services**

45.25 (a) **Office of Communications** 553,000 573,000

45.26 Appropriations by Fund

45.27 2018 2019

45.28 General 127,000 130,000

45.29 Trunk Highway 426,000 443,000

45.30 (b) **Public Safety Support** 6,372,000 6,569,000

45.31 Appropriations by Fund

45.32 2018 2019

46.1	General	1,225,000	1,235,000
46.2	H.U.T.D.	1,366,000	1,366,000
46.3	Trunk Highway	3,781,000	3,968,000

46.4 The commissioner must not spend any money
 46.5 from the highway user tax distribution fund
 46.6 for employees working at the public
 46.7 information center or comparable customer
 46.8 service positions elsewhere in the department.

46.9	(c) Public Safety Officer Survivor Benefits		640,000	640,000
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46.10 This appropriation is from the general fund
 46.11 for payment of public safety officer survivor
 46.12 benefits under Minnesota Statutes, section
 46.13 299A.44.

46.14 If the appropriation for either year is
 46.15 insufficient, the appropriation for the other
 46.16 year is available for it.

46.17	(d) Public Safety Officer Reimbursements		1,367,000	1,367,000
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46.18 This appropriation is from the general fund to
 46.19 be deposited in the public safety officer's
 46.20 benefit account. This money is available for
 46.21 reimbursements under Minnesota Statutes,
 46.22 section 299A.465.

46.23	(e) Soft Body Armor Reimbursements		700,000	700,000
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46.24 Appropriations by Fund

46.25		2018	2019
46.26	General	600,000	600,000
46.27	Trunk Highway	100,000	100,000

46.28 This appropriation is for soft body armor
 46.29 reimbursements under Minnesota Statutes,
 46.30 section 299A.38.

46.31	(f) Technology and Support Service		3,777,000	3,814,000
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46.32 Appropriations by Fund

46.33		2018	2019
46.34	General	1,353,000	1,365,000

47.1	H.U.T.D.	19,000	19,000
47.2	Trunk Highway	2,405,000	2,430,000

47.3 **Sec. 69. EDITING MNLARS TRANSACTIONS.**

47.4 (a) The commissioner of public safety must ensure deputy registrars are able to edit, at
 47.5 a minimum, the following information as part of a Minnesota Licensing and Registration
 47.6 System (MNLARS) transaction:

47.7 (1) personal information of the applicant;

47.8 (2) vehicle classification and information about a vehicle or trailer;

47.9 (3) sale price of a vehicle or trailer;

47.10 (4) the amount of taxes and fees; and

47.11 (5) the base value of a vehicle or trailer.

47.12 The ability to edit the transactions in this paragraph must be available until the end of the
 47.13 business day following the day the transaction was initially completed.

47.14 (b) For each transaction edited, MNLARS must record which individual edited the
 47.15 record, the date and time the record was edited, what information was edited, and include
 47.16 a notation that the transaction was edited.

47.17 **Sec. 70. LEGISLATIVE ROUTE NO. 222 REMOVED.**

47.18 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day
 47.19 after the commissioner of transportation receives a copy of the agreement between the
 47.20 commissioner and the governing body of Red Lake County to transfer jurisdiction of
 47.21 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under
 47.22 paragraph (b).

47.23 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
 47.24 Statutes when the commissioner of transportation sends notice to the revisor electronically
 47.25 or in writing that the conditions required to transfer the route have been satisfied.

47.26 **Sec. 71. LEGISLATIVE ROUTE NO. 253 REMOVED.**

47.27 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day
 47.28 after the commissioner of transportation receives a copy of the agreement between the
 47.29 commissioner and the governing body of Faribault County to transfer jurisdiction of

48.1 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under
48.2 paragraph (b).

48.3 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
48.4 Statutes when the commissioner of transportation sends notice to the revisor electronically
48.5 or in writing that the conditions required to transfer the route have been satisfied.

48.6 **Sec. 72. LEGISLATIVE ROUTE NO. 254 REMOVED.**

48.7 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day
48.8 after the commissioner of transportation receives a copy of the agreement between the
48.9 commissioner and the governing body of Faribault County to transfer jurisdiction of
48.10 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under
48.11 paragraph (b).

48.12 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
48.13 Statutes when the commissioner of transportation sends notice to the revisor electronically
48.14 or in writing that the conditions required to transfer the route have been satisfied.

48.15 **Sec. 73. LEGISLATIVE ROUTE NO. 277 REMOVED.**

48.16 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day
48.17 after the commissioner of transportation receives a copy of the agreement between the
48.18 commissioner and the governing body of Chippewa County to transfer jurisdiction of
48.19 Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under
48.20 paragraph (b).

48.21 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
48.22 Statutes when the commissioner of transportation sends notice to the revisor electronically
48.23 or in writing that the conditions required to transfer the route have been satisfied.

48.24 **Sec. 74. LEGISLATIVE ROUTE NO. 298 REMOVED.**

48.25 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day
48.26 after the commissioner of transportation receives a copy of the agreement between the
48.27 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
48.28 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under
48.29 paragraph (b).

49.1 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
49.2 Statutes when the commissioner of transportation sends notice to the revisor electronically
49.3 or in writing that the conditions required to transfer the route have been satisfied.

49.4 **Sec. 75. LEGISLATIVE ROUTE NO. 299 REMOVED.**

49.5 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day
49.6 after the commissioner of transportation receives a copy of the agreement between the
49.7 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
49.8 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under
49.9 paragraph (b).

49.10 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
49.11 Statutes when the commissioner of transportation sends notice to the revisor electronically
49.12 or in writing that the conditions required to transfer the route have been satisfied.

49.13 **Sec. 76. LEGISLATIVE ROUTE NO. 323 REMOVED.**

49.14 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day
49.15 after the commissioner of transportation receives a copy of the agreement between the
49.16 commissioner and the governing body of the city of Faribault to transfer jurisdiction of
49.17 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under
49.18 paragraph (b).

49.19 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
49.20 Statutes when the commissioner of transportation sends notice to the revisor electronically
49.21 or in writing that the conditions required to transfer the route have been satisfied.

49.22 **Sec. 77. MNLARS REIMBURSEMENT FROM THE JOINT HOUSE AND SENATE**
49.23 **SUBCOMMITTEE ON CLAIMS.**

49.24 Any person may seek reimbursement from the joint house and senate Subcommittee on
49.25 Claims for any personal or business costs that would not have been incurred but for an
49.26 unreasonable delay caused by the Minnesota Licensing and Registration System (MNLARS)
49.27 or improper functioning of MNLARS. The subcommittee must determine whether a delay
49.28 is unreasonable compared to the length of time it took to complete a similar transaction
49.29 prior to the use of MNLARS.

49.30 **EFFECTIVE DATE. This section is effective June 1, 2018.**

50.1 Sec. 78. **MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION**
50.2 **ADVISORY COMMITTEE; FIRST APPOINTMENTS; FIRST MEETING.**

50.3 Subdivision 1. **First appointments.** Appointment authorities must make first
50.4 appointments to the Motor Vehicle Title Transfer and Registration Advisory Committee by
50.5 September 15, 2018.

50.6 Subd. 2. **First meeting.** The commissioner of public safety or a designee shall convene
50.7 the first meeting of the advisory committee by November 1, 2018.

50.8 Sec. 79. **PUBLIC AWARENESS CAMPAIGN.**

50.9 The commissioner of public safety shall conduct a public awareness campaign to increase
50.10 public knowledge about Minnesota Statutes, section 169.18, subdivision 10.

50.11 Sec. 80. **MARKED INTERSTATE HIGHWAY 94 STUDY; APPROPRIATION.**

50.12 \$500,000 in fiscal year 2019 is appropriated from the trunk highway fund to the
50.13 commissioner of transportation to conduct a study on the feasibility of expanding or
50.14 reconstructing marked Interstate Highway 94 from the city of St. Michael to the city of St.
50.15 Cloud. At a minimum, the commissioner's study must include traffic modeling and an
50.16 environmental analysis.

50.17 Sec. 81. **INTERSTATE HIGHWAY 35 AT COUNTY ROAD 9 IN RICE COUNTY**
50.18 **INTERCHANGE FEASIBILITY STUDY; APPROPRIATION.**

50.19 \$500,000 in fiscal year 2019 is appropriated from the trunk highway fund to the
50.20 commissioner of transportation to conduct a study on the feasibility of an interchange at
50.21 marked Interstate Highway 35 and County Road 9 in Rice County. At a minimum, the
50.22 commissioner's study must include estimated construction costs, traffic modeling, an
50.23 environmental analysis, and a potential design layout for an interchange.

50.24 Sec. 82. **APPROPRIATION; DEPUTY REGISTRAR REIMBURSEMENTS.**

50.25 (a) \$9,000,000 in fiscal year 2018 is appropriated from the special revenue fund to the
50.26 commissioner of management and budget for grants to deputy registrars under Minnesota
50.27 Statutes, section 168.33. Of this amount, \$3,000,000 is from the vehicle services operating
50.28 account and \$6,000,000 is from the driver services operating account. This is a onetime
50.29 appropriation and is available in fiscal year 2019.

50.30 (b) The reimbursement to each deputy registrar is calculated as follows:

51.1 (1) 50 percent of available funds allocated proportionally based on (i) the number of
51.2 transactions where a filing fee under Minnesota Statutes, section 168.33, subdivision 7, is
51.3 retained by each deputy registrar from August 1, 2017, through January 31, 2018, compared
51.4 to (ii) the total number of transactions where a filing fee is retained by all deputy registrars
51.5 during that time period; and

51.6 (2) 50 percent of available funds, or 100 percent of available funds if there is insufficient
51.7 data to perform the calculation under clause (1), allocated proportionally based on (i) the
51.8 number of transactions where a filing fee is retained by each deputy registrar from July 1,
51.9 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing
51.10 fee is retained by all deputy registrars during that time period.

51.11 (c) For a deputy registrar appointed after July 1, 2014, the commissioner of management
51.12 and budget must identify whether a corresponding discontinued deputy registrar appointment
51.13 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must
51.14 include the transactions of the discontinued deputy registrar in the calculations under
51.15 paragraph (b) for the deputy registrar appointed after July 1, 2014.

51.16 (d) For a deputy registrar appointed after July 1, 2014, for which paragraph (c) does not
51.17 apply, the commissioner of management and budget must calculate that deputy registrar's
51.18 proportional share under paragraph (b), clause (1), based on the average number of
51.19 transactions where a filing fee is retained among the deputy registrars, as calculated excluding
51.20 any deputy registrars for which this paragraph applies.

51.21 (e) Except as provided in paragraph (c), in the calculations under paragraph (b) the
51.22 commissioner of management and budget must exclude transactions for (1) a deputy registrar
51.23 that is no longer operating as of the effective date of this section, and (2) a deputy registrar
51.24 office operated by the state.

51.25 (f) A deputy registrar office operated by the state is not eligible to receive funds under
51.26 this section.

51.27 (g) The commissioner of management and budget must make efforts to reimburse deputy
51.28 registrars within 30 days of the effective date of this section. The commissioner must use
51.29 existing resources to administer the reimbursements.

51.30 **EFFECTIVE DATE.** This section is effective June 1, 2018.

51.31 Sec. 83. **APPROPRIATION; MNLARS FUNDING.**

51.32 Subdivision 1. **Appropriations.** (a) \$15,100,000 in fiscal year 2019 is appropriated from
51.33 the general fund to the commissioner of public safety for contracted technical staff and

52.1 technical costs related to continued development, improvement, operations, and deployment
52.2 of MNLARS. This is a onetime appropriation.

52.3 (b) The commissioner of management and budget shall set a planning estimate of
52.4 \$5,500,000 in fiscal year 2020 and \$0 in fiscal year 2021 from the general fund to the
52.5 commissioner of public safety for a FAST contract payment relating to the driver's licensing
52.6 system.

52.7 Subd. 2. **Quarterly funding review.** The appropriations in this section are subject to
52.8 the quarterly review process established in Laws 2018, chapter 101, section 5, subdivision
52.9 5.

52.10 Subd. 3. **Use of funds.** The appropriation in subdivision 1, paragraph (a), may be
52.11 expended only for:

52.12 (1) contracting to perform software development on the vehicle services component of
52.13 MNLARS; and

52.14 (2) technology costs.

52.15 The appropriation in this paragraph must not be expended on additional full or part-time
52.16 employees employed by the Department of Public Safety.

52.17 **Sec. 84. REVISOR'S INSTRUCTION.**

52.18 The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle
52.19 services fund" wherever the term appears in Minnesota Statutes when referring to the
52.20 accounts under Minnesota Statutes, section 299A.705.

52.21 **Sec. 85. REPEALER.**

52.22 Minnesota Statutes 2016, sections 168.013, subdivision 21; and 221.161, subdivisions
52.23 2, 3, and 4, are repealed."

52.24 Amend the title accordingly