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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. **4363**

04/12/2018 Authored by Hornstein
The bill was read for the first time and referred to the Committee on Transportation Finance

1.1 A bill for an act
1.2 relating to transportation finance; providing additional funding for certain
1.3 transportation and public safety activities; modifying a fee; appropriating money;
1.4 amending Minnesota Statutes 2016, sections 168.33, subdivision 7; 168A.29,
1.5 subdivision 1; 171.06, subdivision 2; 299A.705, subdivision 3; repealing Minnesota
1.6 Statutes 2016, section 168.013, subdivision 21.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 **ARTICLE 1**

1.9 **TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS**

1.10 Section 1. **APPROPRIATIONS.**

1.11 The sums shown in the column under "Appropriations" are added to the appropriations
1.12 in Laws 2017, First Special Session chapter 3, article 1, to the agencies and for the purposes
1.13 specified in this article. The appropriations are from the general fund, or another named
1.14 fund, and are available for the fiscal years indicated for each purpose. The figures "2018"
1.15 and "2019" used in this article mean that the addition to the appropriation listed under them
1.16 is available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.17	<u>APPROPRIATIONS</u>		
1.18	<u>Available for the Year</u>		
1.19	<u>Ending June 30</u>		
1.20	<u>2018</u>		<u>2019</u>

1.21 **Sec. 2. DEPARTMENT OF**
1.22 **TRANSPORTATION**

1.23	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,051,000</u>
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2.1 The appropriations in this section are to the
 2.2 commissioner of transportation. The amounts
 2.3 that may be spent for each purpose are
 2.4 specified in the following subdivisions.

2.5 **Subd. 2. Passenger Rail** -0- 850,000

2.6 \$850,000 in the second year is from the
 2.7 general fund to study and report on the
 2.8 extension of the Northstar Commuter Rail line
 2.9 from Big Lake to St. Cloud. This is a onetime
 2.10 appropriation.

2.11 **Subd. 3. Agency Services** -0- 201,000

2.12 \$201,000 in the second year is from the
 2.13 general fund to facilitate tribal training for
 2.14 state agencies. The base from the general fund
 2.15 is \$210,000 in fiscal year 2020 and \$235,000
 2.16 in fiscal year 2021.

2.17 **Sec. 3. DEPARTMENT OF PUBLIC SAFETY**

2.18 **Subdivision 1. Total Appropriation** **\$** -0- **\$** **28,059,000**

2.19 The appropriations in this section are to the
 2.20 commissioner of public safety. The amounts
 2.21 that may be spent for each purpose are
 2.22 specified in the following subdivisions.

2.23 **Subd. 2. Driver and Vehicle Services**

2.24 **(a) Deputy Registrar Reimbursement** -0- 10,000,000

2.25 \$10,000,000 in the second year is from the
 2.26 general fund to reimburse deputy registrars
 2.27 for actual additional costs incurred due to the
 2.28 implementation of the Minnesota Licensing
 2.29 and Registration System (MNLARS). This is
 2.30 a onetime appropriation.

2.31 **(b) Public Information Center** -0- 7,296,000

2.32 \$7,296,000 in the second year is from the
 2.33 general fund to support the Driver and Vehicle

3.1 Services Public Information Center. The base
 3.2 is \$5,973,000 in fiscal year 2020 and
 3.3 \$4,783,000 in fiscal year 2021 from the driver
 3.4 and vehicle services accounts in the special
 3.5 revenue fund. In fiscal year 2020, \$3,882,000
 3.6 is from the driver services account and
 3.7 \$2,091,000 is from the vehicle services
 3.8 account. In fiscal year 2021, \$3,109,000 is
 3.9 from the driver services account and
 3.10 \$1,674,000 is from the vehicle services
 3.11 account.

3.12 **(c) Minnesota Licensing and Registration System**
 3.13 **(MNLARS)**

-0-

10,763,000

3.14 \$10,763,000 in the second year is from the
 3.15 general fund to fix, operate, and maintain the
 3.16 driver and vehicle information system known
 3.17 as Minnesota Licensing and Registration
 3.18 System (MNLARS). This is a onetime
 3.19 appropriation.

ARTICLE 2

TRANSPORTATION POLICY AND FINANCE

3.22 Section 1. Minnesota Statutes 2016, section 168.33, subdivision 7, is amended to read:

3.23 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a
 3.24 filing fee of:

3.25 (1) \$6 is imposed on every vehicle registration renewal, excluding pro rate transactions;
 3.26 and

3.27 (2) \$10 is imposed on every other type of vehicle transaction, including motor carrier
 3.28 fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

3.29 (b) Notwithstanding paragraph (a):

3.30 (1) a filing fee may not be charged for a document returned for a refund or for a correction
 3.31 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

3.32 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a
 3.33 vehicle.

4.1 (c) The filing fee must be shown as a separate item on all registration renewal notices
4.2 sent out by the commissioner.

4.3 (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may
4.4 be paid by credit card or debit card. The deputy registrar may collect a surcharge on the
4.5 statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or
4.6 debit card transaction, in accordance with emergency rules established by the commissioner
4.7 of public safety. The surcharge must be used to pay the cost of processing credit and debit
4.8 card transactions.

4.9 (e) The fees collected under this subdivision by the department must be allocated as
4.10 follows:

4.11 (1) of the fees collected under paragraph (a), clause (1):

4.12 (i) \$4.50 must be deposited in the vehicle services operating account; and

4.13 (ii) \$1.50 must be deposited:

4.14 (A) in the driver and vehicle services technology account until sufficient funds have
4.15 been deposited in that account to cover all costs of administration, development, and ~~initial~~
4.16 full deployment of the driver and vehicle services information system; and

4.17 (B) after completion of the deposit of funds under subitem (A) in the vehicle services
4.18 operating account; and

4.19 (2) of the fees collected under paragraph (a), clause (2):

4.20 (i) \$3.50 must be deposited in the general fund;

4.21 (ii) \$5.00 must be deposited in the vehicle services operating account; and

4.22 (iii) \$1.50 must be deposited:

4.23 (A) in the driver and vehicle services technology account until sufficient funds have
4.24 been deposited in that account to cover all costs of administration, development, and initial
4.25 full deployment of the driver and vehicle services information system; and

4.26 (B) after completion of the deposit of funds under subitem (A) in the vehicle services
4.27 operating account.

4.28 Sec. 2. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

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

5.1 (1) for filing an application for and the issuance of an original certificate of title, the
5.2 sum of:

5.3 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~
5.4 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~
5.5 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~
5.6 ~~and vehicle services technology account; and~~

5.7 ~~(ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle~~
5.8 ~~services operating account;~~

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

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

5.18 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,
5.19 unless noted concurrently with the security interest, the sum of \$1; and

5.20 ~~(5)~~ (4) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must
5.21 be paid into the vehicle services operating account of the special revenue fund under section
5.22 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~
5.23 ~~and credited to the driver and vehicle services technology account.~~

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

5.28 Sec. 3. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended
5.29 to read:

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

5.31 REAL ID Compliant or				
5.32 Noncompliant Classified				
5.33 Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25

6.1	REAL ID Compliant or				
6.2	Noncompliant Classified				
6.3	Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
6.4	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
6.5	REAL ID Compliant or				
6.6	Noncompliant Instruction				
6.7	Permit				\$5.25
6.8	Enhanced Instruction				
6.9	Permit				\$20.25
6.10	Commercial Learner's				
6.11	Permit				\$2.50
6.12	REAL ID Compliant or				
6.13	Noncompliant Provisional				
6.14	License				\$8.25
6.15	Enhanced Provisional				
6.16	License				\$23.25
6.17	Duplicate REAL ID				
6.18	Compliant or Noncompliant				
6.19	License or duplicate REAL				
6.20	ID Compliant or				
6.21	Noncompliant identification				
6.22	card				\$6.75
6.23	Enhanced Duplicate				
6.24	License or enhanced				
6.25	duplicate identification card				\$21.75
6.26	REAL ID Compliant or				
6.27	Noncompliant Minnesota				
6.28	identification card or REAL				
6.29	ID Compliant or				
6.30	Noncompliant Under-21				
6.31	Minnesota identification				
6.32	card, other than duplicate,				
6.33	except as otherwise				
6.34	provided in section 171.07,				
6.35	subdivisions 3 and 3a				\$11.25
6.36	Enhanced Minnesota				
6.37	identification card				\$26.25

6.38 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~
6.39 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~

6.40 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~
6.41 ~~technology account in the special revenue fund under section 299A.705.~~

6.42 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
6.43 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
6.44 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related
6.45 moving violations, and (3) convictions for moving violations that are not crash related, shall

7.1 have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving
7.2 violation" has the meaning given it in section 171.04, subdivision 1.

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

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

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

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

7.18 Sec. 4. Minnesota Statutes 2016, section 299A.705, subdivision 3, is amended to read:

7.19 Subd. 3. **Driver and vehicle services technology account; technology surcharge.** (a)
7.20 The driver and vehicle services technology account is created in the special revenue fund;
7.21 ~~consisting. The account consists of the:~~ (1) a technology surcharge equaling \$2 collected
7.22 ~~as specified in chapters~~ for each vehicle registration renewal transaction under chapter 168,
7.23 ~~168A, and 171;~~ (2) the filing fee revenue collected and allocated under section 168.33,
7.24 subdivision 7; (3) a technology surcharge equaling \$2 for transactions under section 168A.29,
7.25 subdivision 1, paragraph (a), clauses (1), (3), and (5); (4) a technology surcharge equaling
7.26 \$2 for transactions under section 171.06, subdivision 2, paragraph (a); and (5) any other
7.27 money otherwise donated, allotted, appropriated, or legislated to this the account.

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

7.31 ~~(e) Following completion of the deposit of filing fee revenue into the driver and vehicle~~
7.32 ~~services technology account as provided under section 168.33, subdivision 7, the~~
7.33 ~~commissioner shall submit a notification to the chairs and ranking minority members of the~~

8.1 ~~legislative committees with jurisdiction over transportation policy and finance concerning~~
8.2 ~~driver and vehicle services information system implementation, which must include~~
8.3 ~~information on (1) total revenue deposited in the driver and vehicle services technology~~
8.4 ~~account, with a breakdown by sources of funds; (2) total project costs incurred, with a~~
8.5 ~~breakdown by key project components; and (3) an estimate of ongoing system maintenance~~
8.6 ~~costs.~~

8.7 Sec. 5. **REPEALER.**

8.8 Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

APPENDIX
Article locations in HF4363-0

ARTICLE 1 TRANSPORTATION AND PUBLIC SAFETY APPROPRIATIONS.. Page.Ln 1.8
ARTICLE 2 TRANSPORTATION POLICY AND FINANCE..... Page.Ln 3.20

168.013 VEHICLE REGISTRATION TAXES.

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.