

Subject Transportation finance omnibus

Authors Hornstein

Analyst Matt Burress (matt.burress@house.mn.gov)

Date April 3, 2023

Overview

This bill establishes the transportation budget, authorizes trunk highway bonding, and makes various finance and policy changes. Among its provisions, the bill:

- makes appropriations that set the FY 2024-2025 budget for transportation as well as provide for FY 2023 spending;
- makes a \$374.6 million onetime transfer from the General Fund to the Trunk Highway Fund;
- authorizes a total of \$217.7 million in trunk highway bonds and appropriates the proceeds;
- modifies the motor vehicle registration tax rate and structure;
- raises the rate for the motor vehicle sales tax, from 6.5 percent to 6.875 percent;
- imposes a \$0.75 retail delivery fee;
- establishes a metropolitan region sales and use tax in the Twin Cities metropolitan area, at a rate of 0.75 percent;
- modifies various driver's license and identification card fees;
- reallocates additional revenue from the state general sales tax attributed to sales of automotive repair and replacement parts, with the entirety allocated beginning in FY 2028;
- establishes new accounts;
- establishes an advisory council, a task force, and pilot programs;
- requires legislative reports; and
- contains a variety of other finance and policy provisions.

Article 1: Transportation Appropriations

This article sets the FY 2024-2025 budget for transportation, making appropriations for the Minnesota Department of Transportation (MnDOT), administrative and transportation functions within the Department of Public Safety, and transportation divisions of the Metropolitan Council.

Section Description – Article 1: Transportation Appropriations

- 1 Transportation appropriations.**
Sets out the appropriations article structure and defines terms. Establishes that appropriations are from the Trunk Highway Fund unless another is named.
- 2 Department of Transportation.**
Establishes the FY 2024-2025 biennial budget for MnDOT. Makes appropriations and provides for carryforward of funds, conditional appropriations, transfers, and legislative reporting.
- 3 Metropolitan Council.**
Makes FY 2024-2025 biennial appropriations for transportation functions of the Metropolitan Council.
- 4 Department of Public Safety.**
Establishes the FY 2024-2025 biennial budget for transportation-related and some division-wide functions of the Department of Public Safety.
- 5 Legislative Coordinating Commission.**
Makes a FY 2024 appropriation from the General Fund to the Legislative Coordinating Commission for the costs of a Metropolitan Governance Task Force being established in the bill.
- 6 Minnesota Management and Budget.**
Makes appropriations from the General Fund to Minnesota Management and Budget for arbitration costs under a collective bargaining provision established in the bill as well as to establish staffing for a coordinator on federal funds. The FY 2023 appropriation is effective the day after enactment.
- 7 Appropriation; rail corridor implementation plan.**
Makes a FY 2023 appropriation from the General Fund to MnDOT for development and reporting on an implementation plan for rail service within the corridor from Minneapolis and St. Paul to Fargo-Moorhead. Specifies plan elements.
- 8 Appropriation; Transit service intervention project.**
Makes a FY 2023 appropriation from the General Fund to the Metropolitan Council and establishes a temporary project to perform interventions on light rail transit lines that involves coordinated efforts between law enforcement and social service entities. Effective the day after enactment.

Section Description – Article 1: Transportation Appropriations

- 9 **Appropriations; State Patrol operating deficiency.**
Makes appropriations from the Trunk Highway Fund and the highway user tax distribution fund in FY 2023 for State Patrol operating costs. Effective the day after enactment.
- 10 **Transfer; Trunk Highway Fund.**
Transfers \$374.6 million from the General Fund to the Trunk Highway Fund in FY 2024.
- 11 **Transfers; fee and surcharge foregone revenue.**
Makes transfers from the General Fund to various accounts (in amounts that reflect foregone revenue under a provision on reintegration licenses established in the bill).
- 12 **Multimodal systems (2022-2023 appropriations).**
Makes prior appropriations in FY 2022 available through FY 2025, for (1) the safe routes to school program; and (2) development of a statewide freight network optimization tool.
- 13 **Driver and Vehicle Services (2022-23 appropriations).**
Reduces the FY 2023 appropriation to the Department of Public Safety for vehicle services operations. (This reflects a shift indicated by the department to use an existing statutory appropriation, instead of direct appropriations, for a portion of operating costs.)
- 14 **Federal transportation grants technical assistance.**
Sets requirements for MnDOT to provide technical assistance in application for federal discretionary (i.e., competitive) grants for transportation projects and activities.
- 15 **Small community partnerships.**
Directs MnDOT to enter into an agreement with the University of Minnesota to implement infrastructure project development partnerships with local units of government. Specifies required aspects under the agreement.
- 16 **Infrastructure Investment and Jobs Act (IIJA) discretionary match.**
Sets requirements for MnDOT to allocate funds that provide non-federal match funding for discretionary grants awarded under the Infrastructure Investment and Jobs Act (IIJA) or associated federal laws. Effective the day after enactment.

Section Description – Article 1: Transportation Appropriations

- 17 **Rice Street Capitol Area redesign.**
Directs MnDOT to provide grants for a street redesign project on portions of Rice Street and connecting streets in the state capitol complex area. Specifies some project development and design requirements.
- 18 **Speed violations disposition analysis.**
Directs MnDOT to enter into an agreement with the Center for Transportation Studies to perform an evaluation of the disposition of citations for specified traffic violations. Identifies evaluation elements.
- 19 **Account use for certain appropriations.**
Establishes that appropriations in other laws enacted during the 2023 legislative session are from the merged account being established in the bill, rather than from either of the currently separate accounts.
- 20 **Appropriations and transfers given effect once.**
Establishes that duplicative appropriations or transfers in the 2023 legislative session only take effect once.

Article 2: Trunk Highway Bonds

The article contains \$217.6 million in trunk highway bonding authorization and appropriations.

Section Description – Article 2: Trunk Highway Bonds

- 1 **Bond appropriations.**
Provides for bond proceeds appropriations and a summary.
- 2 **Department of Transportation.**
Appropriates trunk highway bond proceeds to MnDOT, as follows:
- \$50 million for the Corridor of Commerce program;
 - \$80 million for high-priority bridges; and
 - \$87.44 million for department facilities.
- 3 **Bond sale expenses.**
Appropriates \$220,000 to the Department of Management and Budget for expenses in selling the bonds.

Section Description – Article 2: Trunk Highway Bonds

- 4 **Bond sale authorization.**
 Authorizes sale of trunk highway bonds to fund the appropriations in this article.

Article 3: Transportation-Related Taxes

This article contains tax and some fee provisions related to transportation.

Section Description – Article 3: Transportation-Related Taxes

- 1 **Passenger automobile; hearse.**
 Modifies calculation of the motor vehicle registration tax, to (1) raise the tax rate, (2) adjust the depreciation schedule used to establish the effective rate of the tax (which is based on vehicle age); and (2) lower the minimum flat amount from \$25 to \$20 (which applies instead of the percentage rate for vehicles that are 11 years old or older). Effective January 1, 2024.
- 2 **Filing fee; allocations.**
 Reallocates the portion of filing fee revenue from motor vehicle transactions collected by the Department of Public Safety, to go to the transportation advancement account (being established in this article) instead of the General Fund.
- 3 **Deposit of proceeds.**
 Reallocates revenue from a title transfer fee, to go to the transportation advancement account instead of the General Fund.
- 4 **[Adds § 168E.01] Definitions.**
 Defines terms related to the imposition and administration of the retail delivery fee. Effective July 1, 2024.
- 5 **[Adds § 168E.03] Fee imposed.**
 Requires retailers making delivery sales via motor vehicle to impose a retail delivery fee of \$0.75 per transaction to be collected from the purchaser. Requires the fee be separately stated on a receipt or invoice. Clarifies that the retail delivery fee is in addition to any other delivery fees assessed by the retailer. Specifies that only one fee is imposed regardless of the number of shipments necessary to complete the transaction. Requires the retailer to remit the fee to the commissioner of revenue. Effective July 1, 2024.

Section Description – Article 3: Transportation-Related Taxes

6 [Adds § 168E.05] Exemptions.

Exempts from the retail delivery fee transactions in which the only items purchased are items that are exempt from state sales tax, except for the purchase of clothing. Exempts entities that are exempt from paying state sales tax from the retail delivery fee. Effective July 1, 2024.

7 [Adds § 168E.07] Collection and administration.

Dictates that the statutes governing the administration of the state sales tax also apply to the retail delivery fee. Requires retailers to remit the fee to the commissioner on a return prescribed by the commissioner and on the same filing cycle as required for state sales tax. Effective July 1, 2024.

8 [Adds § 168E.09] Deposit of proceeds.

Provides for deposit of the proceeds from the retail delivery fee. Allows the commissioner of revenue to deduct costs of administering the fee and directs the balance to the transportation advancement account. Effective July 1, 2024.

9 [Adds § 174.4] Transportation advancement account.

Establishes a transportation advancement account in the special revenue fund, which receives proceeds from the retail delivery fee as well as other fees in this article. Allocates funds in the account:

- 44 percent to the Highway User Tax Distribution (HUTD) Fund;
- 15 percent to the County State-Aid Highway (CSAH) Fund;
- 10 percent to the Municipal State-Aid Street (MSAS) Fund;
- 20 percent to the small cities assistance account;
- 10 percent to the town road account; and
- one percent to the food delivery support account (being created in this article).

10 Food delivery support account; appropriation.

Establishes an account for food delivery support, which receives a portion of the revenue from the retail delivery fee. Appropriates money in the account to the Department of Human Services for grants to nonprofit organizations for food transportation services.

11 Revenue department service and recovery special revenue fund.

Authorizes the commissioner of revenue to deposit a portion of the retail delivery fee proceeds to cover the cost of administration in the revenue department service and recovery special revenue fund. Effective July 1, 2024.

Section Description – Article 3: Transportation-Related Taxes

12 Sales price.

Establishes that the retail delivery fee is not factored into the calculation of sales price for state sales tax purposes. Effective July 1, 2024.

13 Deposit of revenues.

Modifies the allocation of state general sales tax revenue attributed to automotive repair and parts, so that:

- for FY 2024-2027, an additional \$33 million annually is directed to the Highway User Tax Distribution (HUTD) fund (instead of the General Fund); and
- for FY 2028 and after, the entirety is directed to the HUTD Fund.

14 Authorization; scope.

Makes a conforming change.

15 [Adds § 297A.9925] Metropolitan region transit sales and use tax.

Imposes a sales and use tax in the Twin Cities metropolitan area at a rate of 0.75 percent. Provides for collection and enforcement by the Department of Revenue. Deposits the proceeds into the metropolitan area transit account (with further direction provided elsewhere in this article). Authorizes revenue bonds for the council's transit capital program. Effective for sales and purchases beginning October 1, 2023.

16 Rate.

Increases the rate for the motor vehicle sales tax (MVST).

17 Allocation of revenue.

Modifies the allocation of revenue from MVST between transit in the Twin Cities metropolitan area and greater Minnesota. (In conjunction with the rate increase in this article, the change has the effect of directing the majority of additional transit revenue to greater Minnesota transit.)

18 [Adds § 473.4465] Metropolitan region sales and use tax allocation.

Provides for uses of the metropolitan region sales tax. Effective October 1, 2023.

Subd. 1. Definition. Defines the term “sales tax revenue.”

Subd. 2. Distribution. Allocates the funds:

- five-sixths to transit; and
- one-sixth to the Transportation Advisory Board (TAB).

Section Description – Article 3: Transportation-Related Taxes

Subd. 3. Use of funds; Metropolitan Council. Specifies various priority uses of the sales tax revenue.

Subd. 4. Use of funds; Transportation Advisory Board. Directs the TAB to distribute a portion of the sales tax revenue as grants for highway projects.

Subd. 5. Prohibition. Establishes a temporary prohibition on the use of sales tax revenue for the Southwest Light Rail Transit project.

Subd. 6. Tracking and information. Sets requirements on public information regarding revenue and expenditures from the sales tax.

Article 4: Transportation Finance and Policy

This article contains various provisions involving transportation finance and policy. The changes are effective July 1, 2023, unless specified otherwise.

Section Description – Article 4: Transportation Finance and Policy

- 1 Advisory council on traffic safety.**
Establishes a Traffic Safety Advisory Council to address traffic safety issues. Specifies membership, specifies duties, and sets administrative requirements and organizational authority.
- 2 Classifications.**
Provides for data practices on race and ethnicity data collected under a change being made elsewhere in the bill. Effective January 1, 2024.
- 3 Compensation for law enforcement officers.**
Requires Minnesota Management and Budget to consider compensation data from the most recent salary and benefits survey required under a state statute in negotiating increases to compensation for law enforcement officers during the collective bargaining process.
- 4 Administration of opiate antagonists for drug overdose.**
Authorizes personnel under the transit rider investment program (being established in this article) to administer opiate antagonists, e.g., NARCAN Nasal Spray, for emergency treatment of an opioid overdose.

Section Description – Article 4: Transportation Finance and Policy

- 5 **[Adds § 160.2325] Highways for habitat program.**
Provides for creation of a highways for habitat program. Identifies program requirements and requires standards for roadside vegetation management.
- 6 **Definitions.**
Adds definitions of terms for the Corridors of Commerce program statute.
- 7 **Program authority; funding.**
Broadens a provision that allows for a portion of available Corridors of Commerce funds to go to program delivery, to also allow funds to go to the administrative process for project scoring and selection.
- 8 **Project eligibility.**
Modifies eligibility for funding under the Corridors of Commerce program, to require (1) that the project is on the National Highway System, and (2) specification of a total project cost estimate.
- 9 **Project funding; regional balance.**
Establishes three funding categories in the Corridors of Commerce program based on regions of the state and corresponding percentages to distribute program funds.
- 10 **Project funding; readiness development.**
Allows an allocation in the Corridors of Commerce program for initial project development activities sufficient to allow for regular project assessment and scoring.
- 11 **Project selection process; criteria.**
Revises various procedures for MnDOT to evaluate and select projects under the Corridors of Commerce program, including to create a series of selection process phases, establish a local screening and recommendation phase for project solicitations, and require project scoring.
- 12 **[Adds § 161.78] Transportation greenhouse gas emissions impact assessment.**
Sets requirements that govern some trunk highway capacity expansion projects, to mandate assessment and mitigation activities related to (1) greenhouse gas emissions reduction following departmental benchmarks and statewide goals; (2) reduction of vehicle miles traveled; and (3) net environmental effects in areas of persistent poverty or historically disadvantaged communities. Effective February 1, 2025.

Section Description – Article 4: Transportation Finance and Policy

- 13 **Rules.**
Prevents administrative rules adopted by MnDOT on utility location in trunk highway right-of-way from prohibiting some authorized entities from placing and maintaining electric transmission lines.
- 14 **Relocation of utility.**
Broadens the situations in which utility relocation necessitated by a trunk highway project can be included in a contract for trunk highway construction work or handled as a separate contract.
- 15 **Relocation of facilities; reimbursement.**
Restricts payment from the Trunk Highway Fund in some situations involving utility relocation costs related to a trunk highway project.
- 16 **[Adds § 168.1287] Minnesota blackout special plates.**
Establishes Minnesota blackout special license plates, including to set requirements for eligibility, plate design with a black backout and white text, and transfer of plates; provide exemptions from new plate applications; and sets a \$30 annual contribution that goes into the vehicle services operating account. Effective January 1, 2024.
- 17 **Expedited driver and vehicle services; fee.**
Makes conforming changes.
- 18 **[Adds § 169.065] Safe road zones.**
Authorizes and establishes a process for designation of safe road zones.
- 19 **Speed limits in safe road zone.**
Authorizes MnDOT to set a temporary or permanent speed limit on roads in a safe road zone.
- 20 **Definitions. (disability parking)**
Broadens the qualifying categories for disability parking privileges, to include individuals who are legally blind.
- 21 **Prohibition on use; penalty.**
Revises a prohibition on wireless communications device (e.g., cell phone) use to also prohibit holding a device in a hand while driving.
- 22 **Exceptions.**
Makes a conforming change.

Section Description – Article 4: Transportation Finance and Policy

- 23 **Fees.**
Raises the fee on issuance and renewal of driver’s license and identification cards, by \$6 or \$6.75 depending on the credential. Makes technical changes and removes obsolete language.
- 24 **Contents of application; other information.**
Adds an option to indicate race and ethnicity in driver’s license and identification card applications. Effective January 1, 2024.
- 25 **Remote application.**
Eliminates eligibility restrictions in a provision on remote (e.g., online or mailed) applications for a driver’s license or identification card. Modifies eye exam and subsequent in-person photograph requirements. Provides for remote renewal by some incarcerated individuals.
- 26 **Money credited to funds.**
Makes conforming and technical changes.
- 27 **[Adds § 171.301] Reintegration license.**
Authorizes issuance of a reintegration driver’s license under some circumstances. Sets eligibility and limitations, identifies application requirements, prevents a fee, identifies circumstances for license cancellation, sets an expiration, and provides for regular license issuance.
- 28 **Greenhouse gas emissions benchmarks.**
Directs MnDOT to set benchmarks on greenhouse gas emissions reductions in the transportation sector. Specifies elements to include. Effective February 1, 2025.
- 29 **Minnesota state highway investment plan.**
Requires the state highway investment plan to include guidance on highway capacity expansion impact assessments (being mandated elsewhere in this article). Effective for plan revisions on or after enactment of the bill.
- 30 **[Adds § 174.47] Electric vehicle infrastructure program.**
Directs MnDOT to create a statewide electric vehicle infrastructure program and establishes program requirements.
- 31 **Passenger rail; funding.**
Establishes a passenger rail account in the Special Revenue Fund. Starting in FY 2028, requires an annual transfer from the General Fund into the account, in an amount that equals half of the railroad property tax levy in the prior year. Creates a statutory

Section Description – Article 4: Transportation Finance and Policy

- appropriation of money in the account to MnDOT for passenger rail operating and capital costs. Effective July 1, 2027.
- 32 **Railroad company assessment; account; appropriation.**
Increases the complement of positions in the state rail safety inspection program administered by MnDOT, from four to six.
- 33 **Grade crossing safety account.**
Broadens the explicitly permitted uses of funds in the grade crossing safety account to include program administration and delivery.
- 34 **Intrastate transportation; heating fuel.**
Creates motor carrier hours of service exemptions for in-state heating fuel transportation in some emergency circumstances.
- 35 **Use requirements.**
Broadens the authority of some utilities to use public road right-of-way, to include high-voltage transmission lines with a route permit and under specified conditions.
- 36 **Guideway uses; reporting.**
Directs counties in the Twin Cities metropolitan area that have imposed a local option sales tax for transportation purposes to submit a legislative report every other year on uses or proposed use of the sales tax funds for guideways. Specifies information to be provided in the report. Effective the day after enactment.
- 37 **Traffic safety report.**
Requires an annual legislative report on the safety of roads and the transportation system. Specific report contents.
- 38 **Driver and vehicle services account.**
Merges (in conjunction with a repealer) the driver services operating account and the vehicle services operating account into a single account.
- 39 **Traffic fines and forfeited bail money.**
Reallocates some revenue from State Patrol citations, so that an additional amount goes to the Minnesota grade crossing safety account instead of the Trunk Highway Fund.
- 40 **Surcharges on criminal and traffic offenders.**
Reduces the court surcharge, from \$75 to \$25, for various transit rider conduct violations including fare-related violations.

Section Description – Article 4: Transportation Finance and Policy

- 41 **Disbursement of surcharges by commissioner of management and budget.**
Directs the entirety of the court surcharge on some transit rider conduct violations to go to the General Fund.
- 42 **Requirement.**
Adds climate action to the long-range comprehensive policy plans that the Metropolitan Council must adopt. Forecasts pertaining to greenhouse gas emissions generated from local activities and the estimated impact of strategies that reduce or naturally sequester greenhouse gas emissions across sectors is also added as information that must be covered by the policy plans.
- 43 **Development guide; climate action.**
Requires the climate action chapter of the Metropolitan Council policy plans to include policies that describe how metropolitan system plans meet state greenhouse gas emissions-reductions goals and transportation targets.
- 44 **Obligations.**
Authorizes the Metropolitan Council to issue up to an additional \$104.5 million in “regional transit capital” bonds or similar forms of debt, which is divided between authorizations for FY 2024 and FY 2025.
- 45 **[Adds § 473.4065] Transit rider activity.**
Sets rider conduct and safety monitoring requirements related to transit service, including to require a rider code of conduct, explicitly authorizes peace officers to order a transit passenger to depart transit facilities in some circumstances, and require public safety monitoring. Effective the day after enactment.
- 46 **[Adds § 473.4075] Transit rider investment program.**
Establishes a transit rider investment program (TRIP) at the Metropolitan Council, for transit passenger support, fare compliance inspection, and issuance of administrative citations. Generally effective July 1, 2023.
- 47 **[Adds § 473.4077] Legislative report; transit safety and rider experience.**
Mandates an annual legislative report on transit safety and the transit rider investment program. Specifies report contents.
- 48 **Climate action plan.**
Requires the Metropolitan Council to specify how the climate action information in the council policy plans must be incorporated into local government comprehensive plan content.

Section Description – Article 4: Transportation Finance and Policy

- 49 **Unlawfully obtaining services; petty misdemeanor.**
Reduces the penalty for evading or falsifying fare payment for transit service, or for failure to provide proof of fare payment, to be a petty misdemeanor instead of a misdemeanor. Caps the base fine amount at \$10.
- 50 **Prohibited activities; petty misdemeanor.**
Eliminates various transit rider conduct activities from being a misdemeanor. Makes littering a petty misdemeanor instead of misdemeanor, after a warning followed by continued violation. (Note, smoking is removed in this section but remains a misdemeanor under the changes made in another section.)
- 51 **Prohibited activities; misdemeanor.**
Establishes a misdemeanor penalty for various transit rider conduct activities, including urination or defecation, consuming alcoholic beverages, and some types of disorderly conduct. Explicitly authorizes peace officers to order a transit passenger to depart transit facilities for a violation.
- 52 **Definitions.**
Includes personnel under the transit rider investment program among transit representatives who have authority related to requiring proof of fare payment as well as issuing warnings on interference and littering. Makes a technical change. Effective the day after enactment.
- 53 **Study on post-COVID pandemic public transportation.**
Amends the funding source, lead entity, and due date for a study on post-COVID pandemic public transportation. Effective the day after enactment.
- 54 **Southwest Light Rail Transit; expenditures and schedule.**
Broadens reporting requirements in a 2022 session law on the Southwest Light Rail Transit project, to require additional expenditure information. Effective the day after enactment.
- 55 **Retroactive driver's license reinstatement.**
Establishes eligibility for driver's license reinstatement for individuals whose license was suspended for various violations that, due to a 2021 change, are no longer grounds for suspension. Directs the Department of Public Safety to send notices to eligible holders of suspended licenses regarding reinstatement. Sets a single fee of \$20 for reinstatement. Effective August 1, 2023.
- 56 **Transit signal priority system planning.**
Directs the Metropolitan Council to create a working group that undertakes planning on traffic signal prioritization for transit. Specifies members to solicit for the group,

Section Description – Article 4: Transportation Finance and Policy

- sets the duties, requires administrative support, requires a legislative report by December 15, 2023, and provides for expiration. Effective the day after enactment.
- 57 **Transit fare elimination pilot program.**
Directs the Metropolitan Council to create a pilot program for free transit service on two regular route bus lines, from July 1, 2023, to December 31, 2024. Sets requirements and requires a legislative report by February 15, 2025. Effective the day after enactment.
- 58 **Metro Mobility enhancement pilot program.**
Directs the Metropolitan Council to create a pilot program on enhancing hours of service for Metro Mobility. Requires a legislative report, which is due by February 1, 2026.
- 59 **Metropolitan Governance Task Force.**
Creates a task force to study and make recommendations to the legislature on reform and governance of the Metropolitan Council. Provides for membership, duties, agency cooperation, compensation, grants, and administrative support. Makes the task force expire June 30, 2024. Effective the day after enactment.
- 60 **Metropolitan Council; land use study.**
Requires the Metropolitan Council to conduct a land use study on or before June 30, 2024, which must be used to inform the 2050 comprehensive development guide for the metropolitan area. Articulates the specific information that the study must analyze. Requires submission of a copy of the study to the legislature by February 1, 2025.
- 61 **Legislative report; speed safety cameras.**
Require a legislative report on speed safety camera policies, which is due by January 3, 2024. Specifies report contents.
- 62 **Revisor instruction.**
Directs the Revisor of Statutes to update terms in state statutes, which is in conjunction with the merger of driver and vehicle accounts provided elsewhere in this article.
- 63 **Repealer.**
Paragraph (a) repeals a \$50 fee for notices to MnDOT regarding stand-alone meteorological towers.

Section Description – Article 4: Transportation Finance and Policy

Paragraph (b) repeals the driver services operating account, which is in conjunction with the merger of driver and vehicle accounts provided elsewhere in this article, and removes duplicative provisions on deposit of fee revenue.

Article 5: Independent Expert Review

This article amends a variety of provisions related to driver and vehicle services, deputy registrars, and driver’s license agents. A number of the provisions are based on some of the recommendations contained in an independent expert review of exam stations and other aspects of the department’s administrative practices, which was performed as a result of legislation enacted in 2021.¹

Section Description – Article 5: Independent Expert Review

1 Full-service provider.

Defines “full-service provider” in the chapter of state statutes on motor vehicle registration, to refer to an individual or entity who is appointed as both a deputy registrar (authorized to handle motor vehicle registrations and titling applications) and a driver’s license agent (authorized to handle driver’s license and identification card applications).

2 Records and fees.

Directs full-service providers to issue copies of motor vehicle and driver’s license records to eligible applicants. Provides for fee revenue allocation. Makes conforming changes. Effective July 1, 2023, and applies for records requests starting January 1, 2024.

3 Requests for information; surcharge on fee.

Directs full-service providers to impose a surcharge on requests for public information on motor vehicle registrations or driver’s licenses and identification cards. Provides for fee revenue allocation. Effective January 1, 2024.

4 Exception to fee and surcharge.

Makes conforming changes. Effective January 1, 2024.

¹ The report is available at: https://www.lrl.mn.gov/mndocs/mandates_detail?orderid=16778.

Section Description – Article 5: Independent Expert Review

- 5 **Monitoring and auditing.**
Directs the Department of Public Safety to audit full-service providers for compliance with motor vehicle records issuance and data practices requirements. Effective January 1, 2024.
- 6 **Lessees; information.**
Authorizes release of vehicle information to that vehicle’s owners and lessees under some circumstances.
- 7 **Reports confidential; evidence, fee, penalty, appropriation.**
Permits full-service providers to release crash reports to authorized recipients. Provides for fee revenue allocation. Makes technical and conforming changes. Effective July 1, 2023, and applies for report disclosures starting January 1, 2024.
- 8 **Monitoring and auditing.**
Directs the Department of Public Safety to audit full-service providers for compliance with crash report issuance and data practices requirements. Effective January 1, 2024.
- 9 **Full-service provider.**
Defines “full-service provider” in the chapter of state statutes on driver’s licenses and identification cards.
- 10 **Preapplication.**
Directs the Department of Public Safety to establish a system for online preapplication for a driver’s license or identification card.
- 11 **Fee; equipment.**
Modifies the filing fee imposed by a driver’s license agent for a driver’s license transaction, to increase it from \$8 to either \$11 (for new applications) or \$16 (for renewals). Effective October 1, 2023.
- 12 **Manual and study material availability.**
Directs the Department of Public Safety to publish study and support materials for driver’s examinations.
- 13 **Examination subjects and locations; provisions for color blindness, disabled veterans.**
Requires real-time information on driver’s exam appointment availability. Effective January 1, 2024.

Section Description – Article 5: Independent Expert Review

- 14 **Waiver when license issued by another jurisdiction.**
Exempts some driver’s license and motorcycle endorsement applicants from both a knowledge test and a road exam when the applicant already has a license (or endorsement) from another jurisdiction where similar testing is required. Effective August 1, 2023.
- 15 **[Adds § 171.375] Student pass rate.**
Directs the Department of Public Safety to collect and publish information on student pass rates for driver’s education programs.
- 16 **Repealer.**
Repeals a limitation on providing vehicle registration information over the phone.
- 17 **Effective date.**
Makes the article effective August 1, 2023, unless specified otherwise.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155