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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1713

March 5, 2007

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The bill was read for the first time and referred to the Committee on Finance

A bill for an act

1.1 relating to motor carriers; amending requirements for movers of household
1.2 goods, including changes from use of permits to registration; removing language
1.3 governing obsolete permits; making conforming and clarifying changes;
1.4 amending Minnesota Statutes 2006, sections 168.013, subdivision 1e; 169.781,
1.5 subdivision 10; 174.64, subdivisions 2, 4; 174.66; 221.011, subdivision 8, by
1.6 adding a subdivision; 221.025; 221.0252, subdivision 6; 221.026; 221.031,
1.7 subdivision 1; 221.036, subdivisions 1, 3; 221.131; 221.132; 221.141,
1.8 subdivision 4; 221.172, subdivision 3; 221.185; 221.221, subdivision 3; 221.291,
1.9 subdivision 4; proposing coding for new law in Minnesota Statutes, chapter
1.10 221; repealing Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions
1.11 24, 25, 28, 29, 38, 41, 44, 45; 221.0252, subdivisions 3, 7; 221.072; 221.111;
1.12 221.121, subdivisions 1, 2, 3, 4, 5, 6, 6a, 6c, 6d, 6e, 6f, 7; 221.122; 221.123;
1.13 221.131, subdivisions 2a, 3, 4; 221.141, subdivision 6; 221.151; 221.152;
1.14 221.153, subdivisions 1, 2; 221.161; 221.171; 221.172, subdivisions 4, 5, 6, 7, 8;
1.15 221.296, subdivisions 3, 4, 5, 6, 7, 8.
1.16

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

1.18 **ARTICLE 1**

1.19 **HOUSEHOLD GOODS MOVERS**

1.20 Section 1. Minnesota Statutes 2006, section 221.011, is amended by adding a
1.21 subdivision to read:

1.22 Subd. 50. Household goods mover. "Household goods mover" means a motor
1.23 carrier who (1) engages in any arrangement directly or indirectly by lease, rental, referral,
1.24 or by other means to provide or to obtain drivers, vehicles, or other for-hire transportation
1.25 service for moving household goods, or (2) provides household goods packing services.

1.26 **Sec. 2. [221.0253] HOUSEHOLD GOODS MOVERS; REGISTRATION.**

1.27 Subdivision 1. Definition. For purposes of this section, "registrant" means a person
1.28 applying for a certificate of registration as a household goods mover under this section.

2.1 Subd. 2. **Registration required.** No person may engage in the for-hire
2.2 transportation of household goods in Minnesota unless the person has been issued a
2.3 certificate of registration by the commissioner.

2.4 Subd. 3. **Registration statement.** A registrant shall file a complete and accurate
2.5 registration statement with the commissioner. A registration statement must be on a form
2.6 provided by the commissioner and include:

2.7 (1) the registrant's name, including an assumed or fictitious name used by the
2.8 registrant in doing business;

2.9 (2) the registrant's mailing address and business telephone number;

2.10 (3) the registrant's federal employer identification number, Minnesota business
2.11 identification number, and the identification number, if any, assigned to the registrant by
2.12 the United States Department of Transportation;

2.13 (4) the name, title, and telephone number of the individual who is principally
2.14 responsible for the operation of the registrant's transportation business;

2.15 (5) the principal location from which the registrant conducts its transportation
2.16 business and where the records required by this chapter will be kept;

2.17 (6) if different from clause (5), the location in Minnesota where the records required
2.18 by this chapter will be available for inspection and copying by the commissioner;

2.19 (7) whether the registrant's business is a corporation, partnership, limited liability
2.20 partnership, limited liability company, sole proprietorship, or other legal form;

2.21 (8) if the registrant is a foreign corporation authorized to transact business in
2.22 Minnesota, the state of incorporation and the name and address of its registered agent; and

2.23 (9) a record of each initial background check as required under subdivision 5.

2.24 Subd. 4. **Vehicle and insurance statement.** (a) A registrant shall file a complete
2.25 and accurate vehicle and insurance statement with the commissioner. A vehicle and
2.26 insurance statement must be on a form provided by the commissioner and include:

2.27 (1) the make, model, year, vehicle number, and license plate number of the vehicles
2.28 to be used in the for-hire transportation of household goods; and

2.29 (2) the registrant's insurance company and policy numbers for insurance or bonds as
2.30 required under section 221.141.

2.31 (b) The commissioner may extend the time for compliance with paragraph (a) up to
2.32 45 days after the commissioner issues the certificate of registration. If the registrant fails
2.33 to meet the requirements of paragraph (a) within the time granted by the commissioner,
2.34 the commissioner shall invalidate the certificate of registration.

2.35 Subd. 5. **Background check; denial of registration.** (a) The registrant shall
2.36 conduct, or cause to be conducted, an initial background check of any person employed by

3.1 the registrant, or with whom the registrant contracts, whose duties include operating a
3.2 vehicle used to transport household goods.

3.3 (b) Sections 299C.67; 299C.68, subdivisions 2 to 5; and 299C.71 apply to
3.4 background checks conducted under this subdivision. For purposes of this subdivision,
3.5 when used in sections 299C.67, 299C.68, and 299C.71, the term "owner" refers to the
3.6 registrant and the term "manager" refers to a driver.

3.7 (c) The commissioner may deny registration to any registrant who employs a driver
3.8 that the background check response shows has been convicted of a background check
3.9 crime, as defined in section 299C.67, subdivision 2, paragraph (a) or (b).

3.10 (d) The registrant shall conduct, or cause to be conducted, a subsequent background
3.11 check every three years. The registrant shall keep a record, identified by the employee's
3.12 name, of a background check conducted under this section. A record must be made
3.13 available to the commissioner upon request.

3.14 (e) This subdivision does not apply to a driver who holds a valid driver's license
3.15 with a school bus endorsement.

3.16 Subd. 6. **Signature required.** A corporate officer, general partner, or sole proprietor
3.17 must sign the registration statement and the vehicle and insurance statement.

3.18 Subd. 7. **Fee.** An initial fee of \$200 must be paid at the time of filing the registration
3.19 statement. It must be paid into the state treasury and credited to the trunk highway fund.

3.20 Subd. 8. **Certificate of registration; issuance.** (a) The commissioner shall issue a
3.21 certificate of registration to a registrant who has a satisfactory safety rating and has met
3.22 the requirements of this section.

3.23 (b) A certificate of registration must be numbered and bear an effective date.

3.24 (c) A certificate of registration must be kept at the registrant's principal place of
3.25 business.

3.26 Subd. 9. **Duration.** A certificate of registration is valid for for-hire transportation
3.27 of household goods throughout Minnesota, is not assignable or transferable, and is valid
3.28 until it is suspended, revoked, or canceled.

3.29 Subd. 10. **Obligation to keep information current.** A registrant shall notify the
3.30 commissioner in writing of any change in the information described in subdivisions
3.31 3 and 4.

3.32 Subd. 11. **Suspension and cancellation of registration.** The commissioner
3.33 shall suspend or cancel, following the procedures for suspension or cancellation in
3.34 section 221.185, the registration of a household goods mover who fails to file with the
3.35 commissioner or maintain the insurance or bond required under section 221.141. A person

4.1 may not engage in the for-hire transportation of household goods in Minnesota while the
 4.2 person's registration is under suspension or cancellation under this subdivision.

4.3 **Sec. 3. [221.0265] AUDIT AND INSPECTION FOR HOUSEHOLD GOODS**
 4.4 **MOVERS AND MOTOR CARRIERS OF PASSENGERS.**

4.5 (a) Within 90 days of issuing a new certificate of registration under section 221.0252
 4.6 or 221.0253, and before issuing an annual renewal of a certificate of registration, the
 4.7 commissioner shall:

4.8 (1) conduct an audit of the motor carrier's records;

4.9 (2) inspect the vehicles the motor carrier uses in its operation to determine if they
 4.10 comply with the federal regulations incorporated in section 221.0314 or accept for filing
 4.11 proof that a complete vehicle inspection was conducted within the previous one year by a
 4.12 commercial vehicle inspector of the Department of Public Safety or an inspector certified
 4.13 by the commissioner of public safety under section 169.781;

4.14 (3) verify that the motor carrier has a designated office in Minnesota where the
 4.15 books and files necessary to conduct business and the records required by this chapter are
 4.16 kept and made available for inspection by the commissioner;

4.17 (4) audit the motor carrier's drivers' criminal background and safety records; and

4.18 (5) verify compliance with the insurance requirements of section 221.141.

4.19 (b) To streamline the audit process and to reduce the regulatory burden on motor
 4.20 carriers, the commissioner may reduce the number of vehicle inspections and records
 4.21 audited under paragraph (a) if the commissioner has sufficient information from federal
 4.22 and state motor carrier safety data about a carrier's operations to determine a carrier's
 4.23 safety fitness as described in Code of Federal Regulations, title 49, section 385.7. For
 4.24 motor carriers of passengers, at a minimum, the commissioner must conduct the record
 4.25 audit in paragraph (a) once every four years.

4.26 (c) Through an interagency agreement, the commissioner and the commissioner of
 4.27 public safety shall coordinate vehicle inspection activities to avoid duplication of annual
 4.28 vehicle inspections, to minimize the burden of compliance on carriers, and to maximize
 4.29 the efficient use of state resources.

4.30 **Sec. 4. [221.027] HOUSEHOLD GOODS MOVERS; CONSUMER**
 4.31 **PROTECTION.**

4.32 Subdivision 1. **Price estimates and relinquishment of possession to consumers.**
 4.33 Code of Federal Regulations, title 49, sections 375.401 through 375.409 are incorporated
 4.34 by reference and apply to household goods movers.

5.1 Subd. 2. **Investigation.** The attorney general shall investigate violations of laws
 5.2 by household goods movers, including but not limited to violations relating to operation
 5.3 without registration, misrepresentations, deceptive trade practices, theft, the provisions of
 5.4 subdivision 1, and other crimes.

5.5 **Sec. 5. [221.028] HOUSEHOLD GOODS MOVERS; EXPIRATION AND**
 5.6 **CONVERSION OF PERMITS.**

5.7 Subdivision 1. **Expiration of permits.** Any permit issued by the commissioner
 5.8 before August 1, 2007, that authorizes for-hire transportation of household goods in
 5.9 Minnesota, is only valid through February 29, 2008.

5.10 Subd. 2. **Conversion to registration.** A holder of a permit issued by the
 5.11 commissioner before August 1, 2007, that authorizes for-hire transportation of household
 5.12 goods in Minnesota, who wishes to continue as a household goods mover, shall meet the
 5.13 requirements of section 221.0253, before March 1, 2008. The commissioner shall not
 5.14 perform a criminal background check under section 221.0253, subdivision 5, and shall not
 5.15 charge a registration fee under section 221.0253, subdivision 7.

5.16 **ARTICLE 2**

5.17 **REPEAL OF OBSOLETE PERMITS AND CONFORMING CHANGES**

5.18 Section 1. Minnesota Statutes 2006, section 168.013, subdivision 1e, is amended to
 5.19 read:

5.20 Subd. 1e. **Truck; tractor; combination; exceptions.** (a) On trucks and tractors
 5.21 except those in this chapter defined as farm trucks, on truck-tractor and semitrailer
 5.22 combinations except those defined as farm combinations, and on commercial zone
 5.23 vehicles, the tax based on total gross weight shall be graduated according to the Minnesota
 5.24 base rate schedule prescribed in this subdivision, but in no event less than \$120.

5.25 Minnesota Base Rate Schedule

5.26 Scheduled taxes include five percent
 5.27 surtax provided for in subdivision 14

	TOTAL GROSS WEIGHT					
	IN POUNDS					TAX
5.30	A	0	-	1,500	\$	15
5.31	B	1,501	-	3,000		20
5.32	C	3,001	-	4,500		25
5.33	D	4,501	-	6,000		35
5.34	E	6,001	-	9,000		45
5.35	F	9,001	-	12,000		70

6.1	G	12,001	-	15,000	105
6.2	H	15,001	-	18,000	145
6.3	I	18,001	-	21,000	190
6.4	J	21,001	-	26,000	270
6.5	K	26,001	-	33,000	360
6.6	L	33,001	-	39,000	475
6.7	M	39,001	-	45,000	595
6.8	N	45,001	-	51,000	715
6.9	O	51,001	-	57,000	865
6.10	P	57,001	-	63,000	1015
6.11	Q	63,001	-	69,000	1185
6.12	R	69,001	-	73,280	1325
6.13	S	73,281	-	78,000	1595
6.14	T	78,001	-	81,000	1760

6.15 (b) For purposes of the Minnesota base rate schedule, for vehicles with six or more
6.16 axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

6.17 (c) For each vehicle with a gross weight in excess of 81,000 pounds an additional
6.18 tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject
6.19 to subdivision 12.

6.20 (d) Truck-tractors except those herein defined as farm and commercial zone vehicles
6.21 shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the
6.22 combined gross weight of the truck-tractor and any semitrailer or semitrailers which the
6.23 applicant proposes to combine with the truck-tractor.

6.24 (e) Commercial zone trucks include only trucks, truck-tractors, and semitrailer
6.25 combinations which are:

6.26 ~~(1) used by an authorized local cartage carrier operating under a permit issued~~
6.27 ~~under section 221.296 and whose gross transportation revenue consists of at least 60~~
6.28 ~~percent obtained solely from local cartage carriage, and are operated solely within an area~~
6.29 ~~composed of two contiguous cities of the first class and municipalities contiguous thereto~~
6.30 ~~as defined by section 221.011, subdivision 17; or~~

6.31 ~~(2) operated by an interstate carrier registered under section 221.60, or by an~~
6.32 ~~authorized local cartage carrier or other carrier receiving operating authority under chapter~~
6.33 ~~221, and operated solely within a zone exempt from regulation pursuant to United States~~
6.34 ~~Code, title 49, section 13506.~~

6.35 (f) The license plates issued for commercial zone vehicles shall be plainly marked. A
6.36 person operating a commercial zone vehicle outside the zone or area in which its operation
6.37 is authorized is guilty of a misdemeanor and, in addition to the misdemeanor penalty
6.38 ~~therefor, the registrar shall have revoke the registration of the vehicle as a commercial~~

7.1 zone vehicle ~~revoked by the registrar and shall be required to reregister~~ require that the
 7.2 vehicle be reregistered at 100 percent of the full annual tax prescribed in the Minnesota
 7.3 base rate schedule, and no part of this tax ~~shall~~ may be refunded during the balance of
 7.4 the registration year.

7.5 (g) On commercial zone trucks the tax shall be based on the total gross weight of the
 7.6 vehicle and during each of the first eight years of vehicle life ~~shall be~~ is 75 percent of the
 7.7 Minnesota base rate schedule. During the ninth and succeeding years of vehicle life, the
 7.8 tax ~~shall be~~ is 50 percent of the Minnesota base rate schedule.

7.9 (h) On trucks, truck-tractors, and semitrailer combinations, except those defined
 7.10 as farm trucks and farm combinations, and except for those commercial zone vehicles
 7.11 specifically provided for in this subdivision, the tax for each of the first eight years of
 7.12 vehicle life ~~shall be~~ is 100 percent of the tax imposed in the Minnesota base rate schedule,
 7.13 and during the ninth and succeeding years of vehicle life, the tax ~~shall be~~ is 75 percent
 7.14 of the Minnesota base rate prescribed by this subdivision.

7.15 (i) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer
 7.16 combination are semitrailers.

7.17 Sec. 2. Minnesota Statutes 2006, section 169.781, subdivision 10, is amended to read:

7.18 Subd. 10. **Exemption.** This section does not apply to a vehicle operated by a motor
 7.19 carrier of passengers, as defined in section 221.011, subdivision 48, if the vehicle has been
 7.20 inspected under section ~~221.0252, subdivision 3,~~ 221.0265, paragraph (a), clause (2),
 7.21 within the previous 12 months.

7.22 Sec. 3. Minnesota Statutes 2006, section 174.64, subdivision 2, is amended to read:

7.23 Subd. 2. **Specific functions and powers.** (a) To the extent allowed under federal
 7.24 law or regulation, the commissioner shall further hold hearings and issue orders in cases
 7.25 brought on the commissioner's own motion or by a third party in the following areas:

7.26 (1) adequacy of services that carriers are providing to the public, including the
 7.27 continuation, termination, or modification of services and facilities;

7.28 (2) reasonableness of tariffs of rates, fares, and charges, or a part or classification
 7.29 of a tariff; and

7.30 (3) issuing permits.

7.31 (b) For purposes of paragraph (a), clause (2), the commissioner may authorize
 7.32 common carriers by rail ~~and motor carriers for hire~~ to file tariffs of rates, fares, and
 7.33 charges individually or by group. Carriers participating in group ratemaking have the free

8.1 and unrestrained right to take independent action either before or after a determination
8.2 arrived at through that procedure.

8.3 Sec. 4. Minnesota Statutes 2006, section 174.64, subdivision 4, is amended to read:

8.4 Subd. 4. **Petition, notice, and hearing.** (a) With respect to those matters within
8.5 the commissioner's jurisdiction, the commissioner shall receive, hear, and determine all
8.6 petitions filed with the commissioner in accordance with the procedures established by law
8.7 and may hold hearings and make determinations upon the commissioner's own motion to
8.8 the same extent, and in every instance, in which the commissioner may do so upon petition.

8.9 ~~(b) Upon receiving a petition filed pursuant to section 221.121, subdivision 1, or~~
8.10 ~~221.151, the commissioner shall give notice of the filing of the petition to representatives~~
8.11 ~~of associations or other interested groups or persons who have registered their names~~
8.12 ~~with the commissioner for that purpose and to whomever the commissioner deems to be~~
8.13 ~~interested in the petition. The commissioner may grant or deny the request of the petition~~
8.14 ~~30 days after notice of the filing has been fully given.~~

8.15 ~~(c)~~ If the commissioner receives a written objection and notice of intent to appear at
8.16 a hearing to object to the petition from any person within 20 days of the notice having been
8.17 fully given, the request of the petition must be granted or denied only after a contested
8.18 case hearing has been conducted on the petition, unless the objection is withdrawn before
8.19 the hearing. The commissioner may elect to hold a contested case hearing if no objections
8.20 to the petition are received. If a timely objection is not received, or if received and
8.21 withdrawn, and the request of the petition is denied without hearing, the petitioner may
8.22 request within 30 days of receiving the notice of denial, and must be granted, a contested
8.23 case hearing on the petition.

8.24 Sec. 5. Minnesota Statutes 2006, section 174.66, is amended to read:

8.25 **174.66 CONTINUATION OF CARRIER RULES.**

8.26 (a) Orders and directives in force, issued, or promulgated under authority of chapters
8.27 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
8.28 modified, or superseded by duly authorized orders or directives of the commissioner of
8.29 transportation. To the extent allowed under federal law or regulation, rules adopted under
8.30 authority of the following sections are transferred to the commissioner of transportation
8.31 and continue in force and effect until repealed, modified, or superseded by duly authorized
8.32 rules of the commissioner:

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

9.1 (2) section 219.40; and

9.2 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits
9.3 or certificates of convenience and necessity under section 221.031, subdivision 1;

9.4 ~~(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest
9.5 in a corporation holding authority to operate as a permit carrier as prescribed in section
9.6 221.151, subdivision 1;~~

9.7 ~~(5) rules relating to rates, charges, and practices under section 221.161, subdivision
9.8 4; and~~

9.9 ~~(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits
9.10 under sections 221.121 and 221.151.~~

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

9.13 Sec. 6. Minnesota Statutes 2006, section 221.011, subdivision 8, is amended to read:

9.14 Subd. 8. **Permit.** "Permit" means the license, or franchise, which may be issued to
9.15 motor carriers other than regular route common carriers of passengers, ~~class I common~~
9.16 ~~carriers, and petroleum carriers, and household goods movers~~ and household goods movers under the provisions of this
9.17 chapter, authorizing the use of the highways of Minnesota for transportation for hire.

9.18 Sec. 7. Minnesota Statutes 2006, section 221.025, is amended to read:

9.19 **221.025 EXEMPTIONS.**

9.20 The provisions of this chapter requiring a certificate ~~or permit~~ to operate as a motor
9.21 carrier do not apply to the intrastate transportation described below:

9.22 (1) the transportation of students to or from school or school activities in a school
9.23 bus inspected and certified under section 169.451 and the transportation of children or
9.24 parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected
9.25 and certified under section 169.451;

9.26 (2) the transportation of solid waste, as defined in section 116.06, subdivision 22,
9.27 including recyclable materials and waste tires, except that the term "hazardous waste" has
9.28 the meaning given it in section 221.011, subdivision 31;

9.29 (3) a commuter van as defined in section 221.011, subdivision 27;

9.30 (4) authorized emergency vehicles as defined in section 169.01, subdivision 5,
9.31 including ambulances; and tow trucks equipped with proper and legal warning devices
9.32 when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles
9.33 towed or transported under a towing order issued by a public employee authorized to
9.34 issue a towing order;

- 10.1 (5) the transportation of grain samples under conditions prescribed by the
10.2 commissioner;
- 10.3 (6) the delivery of agricultural lime;
- 10.4 (7) the transportation of dirt and sod within an area having a 50-mile radius from the
10.5 home post office of the person performing the transportation;
- 10.6 (8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix,
10.7 concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or
10.8 crushed rock to or from the point of loading or a place of gathering within an area having a
10.9 50-mile radius from that person's home post office or a 50-mile radius from the site of
10.10 construction or maintenance of public roads and streets;
- 10.11 (9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator
10.12 evergreens, wood chips, sawdust, shavings, and bark from the place where the products
10.13 are produced to the point where they are to be used or shipped;
- 10.14 (10) the transportation of fresh vegetables from farms to canneries or viner stations,
10.15 from viner stations to canneries, or from canneries to canneries during the harvesting,
10.16 canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the
10.17 field of production to the first place of delivery or unloading, including a processing
10.18 plant, warehouse, or railroad siding;
- 10.19 (11) the transportation of property or freight, other than household goods and
10.20 petroleum products in bulk, entirely within the corporate limits of a city or between
10.21 contiguous cities ~~except as provided in section 221.296~~;
- 10.22 (12) the transportation of unprocessed dairy products in bulk within an area having a
10.23 100-mile radius from the home post office of the person providing the transportation;
- 10.24 (13) the transportation of agricultural, horticultural, dairy, livestock, or other farm
10.25 products within an area having a 100-mile radius from the person's home post office and
10.26 the carrier may transport other commodities within the 100-mile radius if the destination
10.27 of each haul is a farm;
- 10.28 (14) the transportation of newspapers, as defined in section 331A.01, subdivision
10.29 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle
10.30 weight of 10,000 pounds or less; and
- 10.31 (15) transportation of potatoes from the field of production, or a storage site owned
10.32 or otherwise controlled by the producer, to the first place of processing.
- 10.33 The exemptions provided in this section apply to a person only while the person is
10.34 exclusively engaged in exempt transportation.

10.35 Sec. 8. Minnesota Statutes 2006, section 221.0252, subdivision 6, is amended to read:

11.1 Subd. 6. **Annual renewal.** A carrier registered under this section must renew its
 11.2 registration each year, on a form prescribed by the commissioner, and subject to section
 11.3 221.131. The commissioner shall develop and implement an expedited renewal process
 11.4 to minimize the burden on motor carriers.

11.5 Sec. 9. Minnesota Statutes 2006, section 221.026, is amended to read:

11.6 **221.026 MOTOR CARRIER OF PROPERTY; EXEMPTIONS.**

11.7 Subdivision 1. **Registration.** No person may engage in the for-hire transportation
 11.8 of property, ~~other than household goods~~, in Minnesota unless the person has filed ~~a~~ an
 11.9 appropriate registration statement with the commissioner on a form the commissioner
 11.10 prescribes.

11.11 Subd. 2. **Exemptions from requirements.** Notwithstanding any other law, a motor
 11.12 carrier of property is exempt from sections 221.021; 221.072; ~~221.121; 221.122; 221.123;~~
 11.13 ~~221.131; 221.132; 221.151; 221.161;~~ 221.172, subdivisions 3 to 8; and 221.185, except as
 11.14 provided in subdivision 4, ~~and 221.296~~. The exemptions in this subdivision do not apply
 11.15 to a motor carrier of property while transporting household goods.

11.16 Subd. 3. **Safety regulations.** A motor carrier of property is subject to those federal
 11.17 regulations incorporated by reference in section 221.0314, unless exempted from those
 11.18 regulations by section 221.031.

11.19 Subd. 4. **Suspension and cancellation of registration.** The commissioner
 11.20 shall suspend or cancel, following the procedures for suspension or cancellation in
 11.21 section 221.185, the registration of a motor carrier of property who fails to file with the
 11.22 commissioner or maintain the insurance or bond required under section 221.141. A person
 11.23 may not engage in the for-hire transportation of property, ~~other than household goods~~,
 11.24 in Minnesota while the person's registration is under suspension or cancellation under
 11.25 this subdivision.

11.26 Subd. 5. **Local regulation.** Section 221.091 applies to registration statements under
 11.27 this section to the same extent that it applies to certificates and permits issued by the board.

11.28 Sec. 10. Minnesota Statutes 2006, section 221.031, subdivision 1, is amended to read:

11.29 Subdivision 1. **Powers, duties, reports, limitations.** (a) This subdivision applies to
 11.30 motor carriers engaged in intrastate commerce.

11.31 (b) The commissioner shall prescribe rules for the operation of motor carriers,
 11.32 including their facilities; accounts; leasing of vehicles and drivers; service; safe operation
 11.33 of vehicles; equipment, parts, and accessories; hours of service of drivers; driver
 11.34 qualifications; accident reporting; identification of vehicles; installation of safety devices;

12.1 inspection, repair, and maintenance; and proper automatic speed regulators if, in the
12.2 opinion of the commissioner, there is a need for the rules.

12.3 (c) The commissioner shall direct the repair and reconstruction or replacement of
12.4 an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require
12.5 the construction and maintenance or furnishing of suitable and proper freight terminals,
12.6 passenger depots, waiting rooms, and accommodations or shelters in a city in this state or
12.7 at a point on the highway traversed which the commissioner, after investigation by the
12.8 department, may deem just and proper for the protection of passengers or property.

12.9 (d) The commissioner shall require ~~holders of household goods mover permits~~
12.10 movers registered under section 221.0253 to file annual and other reports including
12.11 annual accounts of motor carriers, ~~schedules of rates and charges~~, or other data by motor
12.12 carriers, regulate motor carriers in matters affecting the relationship between them and
12.13 the traveling and shipping public, and prescribe other rules as may be necessary to carry
12.14 out the provisions of this chapter.

12.15 (e) A ~~motor carrier subject to paragraph (d) but~~ household goods mover having gross
12.16 revenues from for-hire transportation in a calendar year of less than \$200,000 may, at the
12.17 discretion of the commissioner, be exempted from the filing of an annual report, if instead
12.18 the ~~motor carrier~~ household goods mover files an abbreviated annual report, in a form as
12.19 may be prescribed by the commissioner, attesting that ~~the motor carrier's~~ gross revenues
12.20 did not exceed \$200,000 in the previous calendar year. ~~Motor carrier~~ Household goods
12.21 mover gross revenues from for-hire transportation, for the purposes of this subdivision
12.22 only, do not include gross revenues received from the operation of school buses as defined
12.23 in section 169.01, subdivision 6.

12.24 (f) The commissioner shall enforce sections 169.781 to 169.783.

12.25 Sec. 11. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

12.26 Subdivision 1. **Order.** The commissioner may issue an order requiring violations
12.27 to be corrected and administratively assessing monetary penalties for a violation of (1)
12.28 section 221.021; (2) section 221.033, subdivision 2b; (3) ~~section 221.151; (4) section~~
12.29 ~~221.171; (5) section 221.141; or (6) (4)~~ rules of the commissioner relating to the
12.30 transportation of hazardous waste, motor carrier operations, insurance, or tariffs and
12.31 accounting. An order must be issued as provided in this section.

12.32 Sec. 12. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

12.33 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an
12.34 order assessing a penalty of up to \$5,000 for all violations ~~of section 221.021; 221.141;~~

13.1 ~~221.151; or 221.171, or rules of the commissioner relating to motor carrier operations;~~
 13.2 ~~insurance, or tariffs and accounting;~~ identified under subdivision 1, except for rules of the
 13.3 commissioner relating to the transportation of hazardous waste or as otherwise provided
 13.4 under paragraph (b), identified during a single inspection, audit, or investigation.

13.5 (b) The commissioner may issue an order assessing a penalty up to a maximum of
 13.6 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
 13.7 inspection or audit.

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

13.9 (1) the willfulness of the violation;

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

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

13.15 (4) the economic benefit gained by the person by allowing or committing the
 13.16 violation; and

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

13.19 (d) The commissioner shall assess a penalty of not less than \$1,000 against a driver
 13.20 who is convicted of a violation of an out-of-service order. The commissioner shall assess
 13.21 a penalty of not more than \$10,000 against an employer who knowingly allows or requires
 13.22 an employee to operate a commercial motor vehicle in violation of an out-of-service order.

13.23 Sec. 13. Minnesota Statutes 2006, section 221.131, is amended to read:

13.24 **221.131 CARRIER ANNUAL VEHICLE REGISTRATION; FEES;**
 13.25 **IDENTIFICATION CARD FOR HOUSEHOLD GOODS MOVERS AND MOTOR**
 13.26 **CARRIERS OF PASSENGERS.**

13.27 Subdivision 1. **Permit Registration renewal.** Permits Certificates of registration
 13.28 issued to a household goods mover under section ~~221.121~~ 221.0253 and to a motor carrier
 13.29 of passengers under section 221.0252 are effective for a 12-month period. A permit
 13.30 certificate of registration holder must renew the permit certificate annually by registration
 13.31 of the vehicles operated under authority of that permit as required by subdivision 2
 13.32 certificate. A permit certificate holder has one annual renewal date encompassing all of
 13.33 the permits certificates held by the holder.

13.34 Subd. 2. **Annual vehicle registration; fee.** (a) ~~This subdivision applies only to~~
 13.35 ~~holders of household goods mover permits and motor carriers of passengers.~~

14.1 ~~(b)~~ A ~~permit holder~~ household goods mover or a motor carrier of passengers shall
 14.2 pay an annual registration fee of \$75 on each vehicle, including pickup and delivery
 14.3 vehicles, operated by the carrier under authority of the ~~permit or~~ certificate of registration
 14.4 during the 12-month period or fraction of the 12-month period. Trailers and semitrailers
 14.5 used by a ~~permit~~ certificate holder in combination with power units may not be counted
 14.6 as vehicles in the computation of fees under this section if the permit holder pays the
 14.7 fees for power units.

14.8 ~~(e)~~ (b) The commissioner shall furnish a distinguishing annual identification card for
 14.9 each vehicle or power unit for which a fee has been paid. The identification card must
 14.10 at all times be carried in the vehicle or power unit to which it has been assigned. An
 14.11 identification card may be reassigned to another vehicle or power unit upon application
 14.12 of the carrier and payment of a transfer fee of \$10. An identification card issued under
 14.13 this section is valid only for the period for which the ~~permit or~~ certificate of registration is
 14.14 effective.

14.15 ~~(d)~~ (c) A fee of \$10 is charged for the replacement of an unexpired identification
 14.16 card that has been lost.

14.17 ~~(e)~~ (d) The proceeds of the fees collected under this subdivision must be deposited in
 14.18 the trunk highway fund.

14.19 ~~Subd. 2a. **Vehicle identification.** The permit holder must be identified on the~~
 14.20 ~~power unit of each registered vehicle operated under the permit. Vehicles must show the~~
 14.21 ~~name or the "doing business as" name of the permit holder operating the vehicle and~~
 14.22 ~~the community and abbreviation of the state in which the permit holder maintains its~~
 14.23 ~~principal office or in which the vehicle is customarily based. If the permit holder operates~~
 14.24 ~~a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the~~
 14.25 ~~lease relationship is clearly shown. If the name of a person other than the operating permit~~
 14.26 ~~holder appears on the vehicle, the words "operated by" must immediately precede the~~
 14.27 ~~name of the permit holder. The name and address must be in letters that contrast sharply in~~
 14.28 ~~color with the background, be readily legible during daylight hours from a distance of 50~~
 14.29 ~~feet while the vehicle is stationary, and be maintained in a manner that retains the legibility~~
 14.30 ~~of the markings. The name and address may be shown by use of a removable device if that~~
 14.31 ~~device meets the identification and legibility requirements of this subdivision.~~

14.32 ~~Subd. 3. **Certificate carrier; annual vehicle registration.** Certificated passenger~~
 14.33 ~~carriers shall pay an annual registration fee of \$40 for each vehicle, including pickup~~
 14.34 ~~and delivery vehicles, operated during a calendar year. The commissioner shall issue~~
 14.35 ~~distinguishing identification cards as provided in subdivision 2.~~

15.1 ~~Subd. 4. **Floater card; fee.** The department may issue to carriers subject to~~
 15.2 ~~subdivision 2 or 3 special "floater" identification cards up to a maximum of five per motor~~
 15.3 ~~carrier. Floater cards may be freely transferred between vehicles that have evidence of~~
 15.4 ~~being inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within~~
 15.5 ~~the previous 12 months, or have a current Commercial Vehicle Safety Alliance decal, and~~
 15.6 ~~that are used under short-term leases by the motor carrier. The motor carrier shall pay a~~
 15.7 ~~fee of \$100 for each floater card issued.~~

15.8 Subd. 5. **Limitation.** The provisions of this section are limited by applicable
 15.9 federal law.

15.10 Sec. 14. Minnesota Statutes 2006, section 221.132, is amended to read:

15.11 **221.132 PREPAID TEMPORARY VEHICLE IDENTIFICATION CARD.**

15.12 For special or extraordinary events, the commissioner may issue a prepaid
 15.13 temporary vehicle identification card to a ~~permit or~~ certificate holder subject to section
 15.14 221.131, subdivision 2 ~~or 3~~, for a fee of \$5 per card. The card must be preprinted by
 15.15 the commissioner with the carrier's name, address, and ~~permit or~~ certificate number.
 15.16 The card may be used by the motor carrier to whom it is issued to identify a vehicle
 15.17 temporarily added to its fleet, if the vehicle has evidence of being inspected under section
 15.18 ~~221.0252, subdivision 3~~; 221.0265, paragraph (a), clause (2), within the previous 12
 15.19 months, or has a current Commercial Vehicle Safety Alliance decal. The card must be
 15.20 executed by the motor carrier by dating and signing the card and describing the vehicle
 15.21 in which it will be carried. The identification card is valid for a period of ten days from
 15.22 the date the motor carrier places on the card when the card is executed. The card must
 15.23 be used within one year from the date of issuance by the commissioner. The card may
 15.24 not be used if the ~~permit or~~ certificate is not in full force and effect. The card may not
 15.25 be transferred. The commissioner may not refund the cost of unused prepaid temporary
 15.26 vehicle identification cards.

15.27 Sec. 15. Minnesota Statutes 2006, section 221.141, subdivision 4, is amended to read:

15.28 Subd. 4. **Household goods mover.** A household goods mover shall maintain
 15.29 in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with
 15.30 the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of
 15.31 insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance,
 15.32 described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform
 15.33 to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and
 15.34 Form J are incorporated by reference. The cargo certificate of insurance or cargo bond

16.1 must be issued in the full and correct name of the person, corporation, or partnership to
 16.2 whom the household goods mover ~~permit~~ certificate of registration was issued and whose
 16.3 operations are being insured.

16.4 Sec. 16. Minnesota Statutes 2006, section 221.172, subdivision 3, is amended to read:

16.5 Subd. 3. ~~Class I, class H, or temperature-controlled commodities carrier;~~
 16.6 **Household goods mover.** (a) A ~~class I carrier, class H carrier,~~ household goods mover;
 16.7 ~~and a holder of a temperature-controlled commodities permit~~ shall keep a record of
 16.8 each shipment transported under a certificate ~~or permit~~. A record may consist of one or
 16.9 more documents, including a bill of lading, freight bill, manifest, delivery receipt, or
 16.10 other document. If it consists of more than one document, the documents constituting a
 16.11 shipment record must be available for inspection together.

16.12 (b) A record must show the:

16.13 (1) names of the consignor and consignee;

16.14 (2) date of shipment;

16.15 (3) origin and destination points;

16.16 ~~(4) number of packages, if applicable to the rating of the freight or if the carrier's~~
 16.17 ~~operating authority includes a package or article restriction, unless the shipment is~~
 16.18 ~~transported by a household goods mover;~~

16.19 ~~(5)~~ (4) description of the freight;

16.20 ~~(6)~~ (5) weight, volume, or measurement of the freight, if applicable to the rating of
 16.21 the freight or if the carrier's operating authority includes a weight restriction;

16.22 ~~(7)~~ (6) exact rate or rates assessed;

16.23 ~~(8)~~ (7) total charges due, including the nature and amount of any charges for special
 16.24 service; and

16.25 ~~(9)~~ (8) the name of each carrier participating in the transportation; and

16.26 ~~(10) after January 1, 1994, any terminals through which the shipment moved.~~

16.27 Sec. 17. Minnesota Statutes 2006, section 221.185, is amended to read:

16.28 **221.185 OPERATING AUTHORITY; SUSPENSION, CANCELLATION.**

16.29 Subdivision 1. **Grounds Order for suspension.** Despite the provisions of section
 16.30 221.021, a ~~household goods mover permit or a motor carrier~~ certificate of registration
 16.31 issued under ~~section~~ sections 221.0251 ~~or~~, 221.0252, or 221.0253 is suspended without a
 16.32 hearing, by order of the commissioner, if the permit certificate holder or carrier fails to:

16.33 (1) maintain and file with the commissioner, the insurance or bond required by
 16.34 section 221.141 and rules adopted under that section ~~or the carrier or permit holder fails to;~~

17.1 (2) pay annual vehicle registration fees ~~or renew permits~~ as required by section
17.2 221.131, ~~or the permit holder or carrier fails to;~~ or

17.3 (3) pay an administrative penalty under section 221.036.

17.4 Subd. 2. **Notice of suspension.** (a) Failure to file and maintain insurance, ~~renew~~
17.5 ~~permits under section 221.131;~~ or to pay annual vehicle registration fees ~~or renew~~
17.6 ~~permits under section 221.131 or 221.296, or to maintain in good standing a protective~~
17.7 ~~agent's or private detective's license required under section 221.121, subdivision 6, or~~
17.8 ~~221.153, subdivision 3,~~ suspends a motor carrier's ~~permit or~~ certificate two days after the
17.9 commissioner sends notice of the suspension by certified mail, return receipt requested, to
17.10 the last known address of the motor carrier.

17.11 (b) In order to avoid permanent cancellation of the ~~permit or~~ certificate, the motor
17.12 carrier must do one of the following within 45 days from the date of suspension:

17.13 (1) comply with the law by filing insurance or bond, ~~renewing permits;~~ or paying
17.14 vehicle registration fees; or

17.15 (2) request a hearing before the commissioner regarding the failure to comply
17.16 with the law.

17.17 Subd. 2a. **Notice of suspension; effective date.** The commissioner shall issue a
17.18 notice of suspension if one of the conditions described in subdivision 1 occurs. The notice
17.19 must give the reason for suspension and must be sent to the last known address of the
17.20 carrier by certified mail, return receipt requested. A suspension is effective two days
17.21 after a notice is mailed.

17.22 Subd. 3. **Suspension rescission.** If the motor carrier complies with the requirements
17.23 of this chapter within 45 days after the date of suspension and pays the required fees,
17.24 including a late vehicle registration fee of \$5 for each vehicle registered, the commissioner
17.25 shall rescind the suspension unless the carrier's registration has expired. If a registered
17.26 carrier fails to comply within one year of the effective date of a suspension, the carrier's
17.27 registration is canceled.

17.28 Subd. 3a. **Hearing.** If the motor carrier requests a hearing within 45 days after the
17.29 date of suspension, the commissioner shall review the suspension and:

17.30 (1) determine that the carrier has complied with the law and rescind the suspension;

17.31 (2) for just cause, grant an extension which must not exceed 20 days; or

17.32 (3) schedule a hearing to ascertain whether the carrier has failed to comply with the
17.33 law. If it is determined after the hearing that the carrier has failed to comply with the law,
17.34 the commissioner shall cancel the carrier's suspended ~~permit or~~ certificate.

17.35 Subd. 4. **Grounds for cancellation.** Except as provided in subdivision 5a, failure to
17.36 comply with the requirements of ~~sections~~ section 221.141 ~~and 221.296~~ relating to bonds

18.1 and insurance, ~~221.131 relating to permit renewal~~; 221.131 ~~or 221.296~~ relating to annual
 18.2 vehicle registration or permit renewal, ~~221.121, subdivision 6, or 221.153, subdivision 3,~~
 18.3 ~~relating to protective agent or private detective licensure~~; or to request a hearing within 45
 18.4 days of the date of suspension, is deemed an abandonment of the motor carrier's ~~permit or~~
 18.5 certificate and the ~~permit or~~ certificate must be canceled by the commissioner.

18.6 Subd. 5. **Notice of cancellation.** The commissioner shall notify the motor carrier by
 18.7 certified mail, return receipt requested, that the ~~permit or~~ certificate is canceled effective
 18.8 on the date of mailing the notice of cancellation.

18.9 Subd. 5a. **Reinstatement after cancellation.** A motor carrier whose permit or
 18.10 certificate is canceled for failure to comply with ~~sections~~ section 221.141 ~~and 221.296~~
 18.11 relating to bonds and insurance may ask the commissioner to review the cancellation.
 18.12 Upon review, the commissioner shall rescind the cancellation if (1) the motor carrier
 18.13 presents evidence showing that before the effective date of the notice of cancellation
 18.14 issued under subdivision 5, the motor carrier had obtained and paid for the insurance
 18.15 required by ~~sections~~ section 221.141 ~~and 221.296~~, and the rules of the commissioner, and
 18.16 (2) the commissioner is satisfied that the motor carrier has complied with the requirements
 18.17 of ~~sections~~ section 221.141 ~~and 221.296~~ and the rules of the commissioner.

18.18 Subd. 9. **New petition.** If the holder of a canceled ~~permit or~~ certificate seeks
 18.19 authority to operate as a motor carrier it shall file a petition with the commissioner ~~for a~~
 18.20 ~~permit or certificate as provided in section 221.121 or 221.296, whichever is applicable.~~

18.21 Sec. 18. Minnesota Statutes 2006, section 221.221, subdivision 3, is amended to read:

18.22 Subd. 3. **Delegated powers.** Representatives of the department to whom authority
 18.23 has been delegated by the commissioner for the purpose of enforcing sections 169.781 to
 18.24 169.783 ~~and 221.171~~ and the rules, orders, or directives of the commissioner adopted or
 18.25 issued under those sections, and for no other purpose, ~~shall~~ have the powers conferred
 18.26 by law upon police officers. The representatives of the department have the power to
 18.27 inspect records, logs, freight bills, bills of lading, or other documents, which may provide
 18.28 evidence to determine compliance with sections 169.781 to 169.783 ~~and 221.171~~.

18.29 Sec. 19. Minnesota Statutes 2006, section 221.291, subdivision 4, is amended to read:

18.30 Subd. 4. **Operating without registration or permit.** A person who operates a
 18.31 motor carrier without first registering under ~~section~~ sections 221.0251 ~~or~~, 221.0252, or
 18.32 ~~who operates as a household goods mover without having obtained the necessary permit~~
 18.33 221.0253, is guilty of a misdemeanor, and upon conviction ~~shall~~ must be fined not less
 18.34 than the maximum fine ~~which~~ that may be imposed for a misdemeanor for each violation.

19.1 Sec. 20. **REVISION OF RULES.**

19.2 The commissioner of transportation shall amend and adopt revisions to those rules
19.3 pertinent to the repeal of Minnesota Statutes under section 21, under the good cause
19.4 exemption as provided in Minnesota Statutes, section 14.388, subdivision 1, clause (3).

19.5 Sec. 21. **INSTRUCTION TO REVISOR.**

19.6 The revisor of statutes shall change the phrase "sections 221.011 to 221.296" to
19.7 read "this chapter" where found in Minnesota Statutes, sections 221.021, subdivision
19.8 1; 221.022; and 221.091, subdivision 1.

19.9 Sec. 22. **REPEALER.**

19.10 Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions 24, 25, 28, 29, 38,
19.11 41, 44, and 45; 221.0252, subdivisions 3 and 7; 221.072; 221.111; 221.121, subdivisions
19.12 1, 2, 3, 4, 5, 6, 6a, 6c, 6d, 6e, 6f, and 7; 221.122; 221.123; 221.131, subdivisions 2a, 3,
19.13 and 4; 221.141, subdivision 6; 221.151; 221.152; 221.153, subdivisions 1 and 2; 221.161;
19.14 221.171; 221.172, subdivisions 4, 5, 6, 7, and 8; and 221.296, subdivisions 3, 4, 5, 6, 7,
19.15 and 8, are repealed.