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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3800

March 4, 2008

Authored by Hornstein, Lieder, Fritz, Masin, Nelson and others

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

April 10, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

A bill for an act

relating to transportation; modifying or adding provisions relating to highways, motor vehicles, traffic regulations, drivers' licenses, transit, railroads, motor carriers, and other transportation-related programs or activities; imposing penalties; requiring reports; amending Minnesota Statutes 2006, sections 86B.825, subdivision 5; 123B.88, subdivision 3; 161.081, subdivision 3, as amended, by adding subdivisions; 168.011, subdivision 7; 168.012, subdivision 1; 168.013, subdivision 1e; 168.021, subdivisions 1, 2; 168.09, subdivision 7; 168.185; 168A.03, subdivision 1; 168A.05, subdivision 9; 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding subdivisions; 168B.08, subdivision 1; 168B.087, subdivision 1; 169.01, subdivisions 55, 76, by adding subdivisions; 169.18, subdivisions 1, 5, by adding a subdivision; 169.224; 169.67, subdivision 3; 169.781, subdivisions 1, 2, 5; 169.79; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; 169.85, subdivision 1; 169.86, by adding a subdivision; 169A.03, subdivision 23; 171.01, subdivisions 35, 46; 171.02, by adding a subdivision; 171.03; 171.055, subdivisions 1, 2; 171.0701; 171.13, by adding a subdivision; 171.165, subdivision 2; 171.321, subdivision 1; 174.02, subdivision 2; 174.03, subdivision 1; 174.24, by adding a subdivision; 174.64, subdivisions 2, 4; 174.66; 221.011, subdivisions 8, 23, by adding subdivisions; 221.025; 221.026; 221.031, subdivision 1; 221.0314, subdivision 9a; 221.036, subdivisions 1, 3; 221.131; 221.132; 221.141, subdivision 4; 221.185; 221.221, subdivision 3; 221.291, subdivision 4; 299D.03, subdivision 1; 299D.06; 473.1465, by adding a subdivision; 473.388, subdivision 2; Minnesota Statutes 2007 Supplement, sections 168.017, subdivision 3; 169.443, subdivision 9; 171.02, subdivision 2; Laws 2002, chapter 393, section 85; Laws 2008, chapter 152, article 2, sections 1; 3, subdivision 2; article 3, sections 1; 6; 8; article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters 123B; 169; 171; 174; 219; 221; repealing Minnesota Statutes 2006, sections 168B.087, subdivision 2; 169.145; 174.65; 221.011, subdivisions 24, 25, 28, 29, 38, 39, 41, 44, 45; 221.0252, subdivision 7; 221.072; 221.111; 221.121; 221.122; 221.123; 221.131, subdivisions 2a, 3; 221.141, subdivision 6; 221.151; 221.152; 221.153, subdivisions 1, 2; 221.161; 221.171; 221.172, subdivisions 3, 4, 5, 6, 7, 8; 221.296, subdivisions 3, 4, 5, 6, 7, 8.

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

ARTICLE 1

TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2006, section 86B.825, subdivision 5, is amended to read:

Subd. 5. **No legal title without certificate.** A person acquiring a watercraft, required to have a certificate of title under this section, through a sale or gift does not acquire a right, title, claim, or interest in the watercraft until the person has been issued a certificate of title to the watercraft or has received a manufacturer's or importer's certificate. A waiver or estoppel does not operate in favor of that person against another person who has obtained possession of the certificate of title or manufacturer's or importer's certificate for the watercraft for valuable consideration.

Sec. 2. Minnesota Statutes 2006, section 123B.88, subdivision 3, is amended to read:

Subd. 3. **Transportation services contracts; requirements.** (a) The board may contract for the furnishing of authorized transportation under section 123B.52, and may purchase gasoline and furnish same to a contract carrier for use in the performance of a contract with the school district for transportation of school children to and from school.

(b) An initiated transportation service contract shall include by contract language, addendum, or supplementary information terms addressing:

(1) a summary of school bus driver training requirements, including the minimum number of preservice training hours and the minimum number of in-service training hours;

(2) a driver recruitment and retention plan, including an explanation of:

(i) the actions the contractor has taken or will take to recruit qualified drivers for the transportation services contract;

(ii) the process for screening applicants to be certain that they meet the school bus driver requirements of federal law, of state law, and of the transportation service contract, including federal and state-controlled substance and alcohol testing requirements;

(iii) the training that drivers receive prior to assignment to transportation service; and

(iv) the actions of the employer to retain qualified drivers to meet requirements of the transportation services contract, including an explanation of wage rates and employee benefits and policies on compensated absences such as paid vacations, holidays, and sick leave;

(3) the reporting to the local school district of all school bus accidents;

(4) the reporting to the local school district of all school bus driver-reported traffic convictions, based upon the requirement of commercial drivers to report traffic convictions

to their employer under Federal Motor Carrier Safety Administration regulation in Code of Federal Regulations, title 49, section 383.31;

(5) the reporting within one week to the local school district the results of any Minnesota State Patrol inspection of school buses being regularly utilized for the transportation under the transportation contract;

(6) the school bus driver employee turnover ratio, defined as the total number of school bus drivers employed during the most recent school year divided by the daily average number of school bus drivers employed during the same regular school year, within bus garage location or other reasonable basis. The turnover rate may exclude those drivers whose employment is terminated or who are otherwise removed for cause from service; and

(7) the date of hire of the employer's current employees identified by their job classifications, which may include any relevant prior experience. Summer and other regular school breaks should not be considered interruptions to employment.

(c) Notwithstanding section 123B.52, a school district may award a transportation contract in the interest of student safety and cost-effectiveness.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 3. **[123B.915] SCHOOL BUS DRIVERS.**

Subdivision 1. **Driver pay.** School bus driver employees must be paid for the actual time worked. If a route pay system or hourly estimation is used, school bus driver employees must be scheduled and paid for actual time for required inspection of buses.

Subd. 2. **Right to refuse.** School bus drivers who document needed bus repairs shall have the right to refuse to operate the bus immediately for a safety-related repair, which meets the out-of-service definition of Minnesota Rules, part 7470.0600. In this situation, the driver shall be provided an alternate bus, if available, and time to inspect it. The driver shall not be penalized in any way for fees, fines, or consequences incurred by the employer for delays or failure to provide the transportation service in a timely manner in this situation. Nothing in this section may diminish the rights, pay, or benefits of drivers covered by a collective bargaining agreement with an exclusive representative.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 168.011, subdivision 7, is amended to read:

Subd. 7. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126.

(c) "Passenger automobile" includes, but is not limited to:

(1) pickup trucks and vans, including those vans designed to carry passengers, with a manufacturer's nominal rated carrying capacity of one ton; ~~and~~

(2) neighborhood electric vehicles, as defined in section 169.01, subdivision 91; and

(3) medium-speed electric vehicles, as defined in section 169.01, subdivision 94.

Sec. 5. Minnesota Statutes 2006, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) ambulances owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable; and

(6) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Vehicles owned by the federal government, municipal fire apparatuses including fire-suppression support vehicles, police patrols, and ambulances, the general appearance of which is unmistakable, are not required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency.

5.1 The certification must be on a form prescribed by the commissioner and state that the
5.2 vehicle will be used exclusively for a purpose authorized by this section.

5.3 (d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry,
5.4 fraud unit, in conducting seizures or criminal investigations must be registered and must
5.5 display passenger vehicle classification license number plates, furnished at cost by the
5.6 registrar. Original and renewal applications for these passenger vehicle license plates
5.7 must be accompanied by a certification signed by the commissioner of revenue or the
5.8 commissioner of labor and industry. The certification must be on a form prescribed by
5.9 the commissioner and state that the vehicles will be used exclusively for the purposes
5.10 authorized by this section.

5.11 (e) Unmarked vehicles used by the Division of Disease Prevention and Control of the
5.12 Department of Health must be registered and must display passenger vehicle classification
5.13 license number plates. These plates must be furnished at cost by the registrar. Original
5.14 and renewal applications for these passenger vehicle license plates must be accompanied
5.15 by a certification signed by the commissioner of health. The certification must be on a
5.16 form prescribed by the commissioner and state that the vehicles will be used exclusively
5.17 for the official duties of the Division of Disease Prevention and Control.

5.18 (f) Unmarked vehicles used by staff of the Gambling Control Board in gambling
5.19 investigations and reviews must be registered and must display passenger vehicle
5.20 classification license number plates. These plates must be furnished at cost by the
5.21 registrar. Original and renewal applications for these passenger vehicle license plates must
5.22 be accompanied by a certification signed by the board chair. The certification must be on a
5.23 form prescribed by the commissioner and state that the vehicles will be used exclusively
5.24 for the official duties of the Gambling Control Board.

5.25 (g) Each state hospital and institution for persons who are mentally ill and
5.26 developmentally disabled may have one vehicle without the required identification on
5.27 the sides of the vehicle. The vehicle must be registered and must display passenger
5.28 vehicle classification license number plates. These plates must be furnished at cost by the
5.29 registrar. Original and renewal applications for these passenger vehicle license plates must
5.30 be accompanied by a certification signed by the hospital administrator. The certification
5.31 must be on a form prescribed by the commissioner and state that the vehicles will be used
5.32 exclusively for the official duties of the state hospital or institution.

5.33 (h) Each county social service agency may have vehicles used for child and
5.34 vulnerable adult protective services without the required identification on the sides of the
5.35 vehicle. The vehicles must be registered and must display passenger vehicle classification
5.36 license number plates. These plates must be furnished at cost by the registrar. Original

and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

~~(g) (i)~~ All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, ~~or~~ licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle; ~~except that each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle.~~ This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 6. Minnesota Statutes 2007 Supplement, section 168.017, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to registration under the monthly series system for a period of 12 consecutive calendar months, unless:

(1) the application is an original rather than renewal application; ~~or~~

(2) the application is for quarterly registration under section 168.018; or

~~(2) (3)~~ the applicant is a licensed motor vehicle lessor under section 168.27 and the vehicle is leased or rented for periods of time of not more than 28 days, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, with the month of expiration to be designated by the applicant at the time of registration.

~~However,~~ (b) To qualify for ~~this~~ the exemption under paragraph (a), clause (3), the applicant must (1) present the application to the registrar at St. Paul, or a designated deputy registrar office, and (2) stamp in red, on the certificate of title, the phrase "The

expiration month of this vehicle is" with the blank filled in with the month of expiration as if the vehicle is being registered for a period of 12 calendar months.

~~(b)~~ (c) In any instance except that of a licensed motor vehicle lessor, the registrar shall not approve registering the vehicle subject to the application for a period of less than three months, except when the registrar determines that to do otherwise will help to equalize the registration and renewal work load of the department.

Sec. 7. Minnesota Statutes 2006, section 168.021, subdivision 1, is amended to read:

Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under section 168.017, a motorcycle, a truck having a manufacturer's nominal rated capacity of one ton and resembling a pickup truck, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled minor, the owner may apply for and secure from the commissioner (1) immediately, a temporary permit valid for 30 days if the applicant is eligible for the disability plates issued under this section and (2) two disability plates with attached emblems, one plate to be attached to the front, and one to the rear of the motor vehicle.

(b) The commissioner shall not issue more than one set of plates to any owner of a motor vehicle at the same time unless ~~all motor vehicles have been specifically modified for and are used exclusively by a permanently physically disabled person~~ the state council on disability approves the issuance of a second set of plates to a motor vehicle owner.

(c) When the owner first applies for the disability plates, the owner must submit a medical statement in a format approved by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(d) No medical statement or proof of disability is required when an owner of a motor vehicle applies for plates for one or more motor vehicles that are specially modified for and used exclusively by permanently physically disabled persons.

(e) The owner of a motor vehicle may apply for and secure (i) immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability plates issued under this section, and (ii) a set of disability plates for a motor vehicle if:

(1) the owner employs a permanently physically disabled person who would qualify for disability plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

Sec. 8. Minnesota Statutes 2006, section 168.021, subdivision 2, is amended to read:

8.1 Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design
8.2 and furnish two disability plates with attached emblems to ~~each~~ an eligible owner. The
8.3 emblem must bear the internationally accepted wheelchair symbol, as designated in
8.4 section 16B.61, subdivision 5, approximately three inches square. The emblem must
8.5 be large enough to be visible plainly from a distance of 50 feet. An applicant eligible
8.6 for disability plates shall pay the motor vehicle registration fee authorized by sections
8.7 168.013 and 168.09.

8.8 Sec. 9. Minnesota Statutes 2006, section 168.09, subdivision 7, is amended to read:

8.9 Subd. 7. **Display of temporary permit; ~~special plates.~~** (a) A vehicle that displays a
8.10 ~~special Minnesota~~ plate issued under ~~section 168.021; 168.12, subdivision 2, 2a, 2b, 2c, or~~
8.11 ~~2d; 168.123; 168.124; 168.125; 168.126; 168.128; or 168.129, chapter 168~~ may display a
8.12 temporary permit in conjunction with expired registration if:

8.13 (1) the current registration tax and all other fees and taxes have been paid in full; and

8.14 (2) the plate ~~requires replacement under section 168.12, subdivision 1, paragraph~~
8.15 ~~(d), clause (3)~~ has been applied for.

8.16 (b) A vehicle ~~that is registered under section 168.10~~ may display a temporary permit
8.17 in conjunction with expired registration, with or without a registration plate, if:

8.18 (1) the plates have been applied for ~~and;~~

8.19 (2) the registration tax ~~has~~ and other fees and taxes have been paid in full, as
8.20 ~~provided for in section 168.10; and~~

8.21 ~~(2) (3) either~~ the vehicle is used solely as a collector vehicle while displaying the
8.22 temporary permit and not used for general transportation purposes or the vehicle was
8.23 issued a 21-day permit under section 168.092, subdivision 1.

8.24 (c) The permit is valid for a period of 60 days. The permit must be in a format
8.25 prescribed by the commissioner and whenever practicable must be posted upon the
8.26 driver's side of the rear window on the inside of the vehicle. The permit is valid only
8.27 for the vehicle for which it was issued to allow a reasonable time for the new plates to
8.28 be manufactured and delivered to the applicant. The permit may be only issued by the
8.29 commissioner or by a deputy registrar under section 168.33.

8.30 Sec. 10. Minnesota Statutes 2006, section 168.185, is amended to read:

8.31 **168.185 USDOT NUMBERS.**

8.32 (a) Except as provided in paragraph (d), an owner of a truck or truck-tractor having a
8.33 gross vehicle weight of more than 10,000 pounds, as defined in section 169.01, subdivision
8.34 46, ~~other than a farm truck that is not used in interstate commerce,~~ shall report to the

~~registrar commissioner~~ at the time of registration its USDOT carrier number. A person subject to this paragraph who does not have a USDOT number shall apply for the number at the time of registration by completing a form MCS-150 Motor Carrier Identification Report, issued by the Federal Motor Carrier Safety Administration, or comparable document as determined by the ~~registrar commissioner~~. The ~~registrar commissioner~~ shall not assign a USDOT carrier number to a vehicle owner who is not subject to this paragraph.

(b) Assigned USDOT numbers need not be displayed on the outside of the vehicle, but must be made available upon request of an authorized agent of the ~~registrar commissioner~~, peace officer, other employees of the State Patrol authorized in chapter 299D, or employees of the Minnesota Department of Transportation. The vehicle owner shall notify the ~~registrar commissioner~~ if there is a change to the owner's USDOT number.

(c) If an owner fails to report or apply for a USDOT number, the ~~registrar commissioner~~ shall suspend the owner's registration.

~~(d) Until October 1, 2003, paragraphs (a) to (c) do not apply to an agricultural fertilizer or agricultural chemical retailer while exclusively engaged in delivering fertilizer or agricultural chemicals to a farmer for on-farm use. This section does not apply to~~
(1) a farm truck that is not used in interstate commerce, (2) a vehicle that is not used in intrastate commerce or interstate commerce, or (3) a vehicle that is owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision.

Sec. 11. Minnesota Statutes 2006, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

(1) a vehicle owned by the United States;

(2) a vehicle owned by a nonresident and not required by law to be registered in this state;

(3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(4) a vehicle moved solely by animal power;

(5) an implement of husbandry;

(6) special mobile equipment;

(7) a self-propelled wheelchair or invalid tricycle;

(8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or

10.1 any other state or (ii) designed primarily for agricultural purposes except a recreational
10.2 vehicle or a manufactured home, both as defined in section 168.011, subdivisions 8 and 25;

10.3 (9) a snowmobile~~;~~ and

10.4 (10) a spotter truck, as defined in section 169.01, subdivision 7a.

10.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
10.6 and expires June 30, 2013.

10.7 Sec. 12. Minnesota Statutes 2006, section 168A.05, subdivision 9, is amended to read:

10.8 Subd. 9. **Neighborhood electric vehicle and medium-speed electric vehicles;**
10.9 **certificate required.** Neighborhood electric vehicles and medium-speed electric vehicles,
10.10 as defined in section 169.01, ~~subdivision~~ subdivisions 91 and 94, must be titled as
10.11 specified in section 168A.02. The department shall not issue a title for a neighborhood
10.12 electric vehicle or a medium-speed electric vehicle (1) that lacks a vehicle identification
10.13 number, and (2) for which a manufacturer's certificate of origin clearly labeling the
10.14 vehicle as a neighborhood electric vehicle or similar designation has not been issued. The
10.15 department shall not issue a vehicle identification number to a homemade neighborhood
10.16 electric or low-speed vehicle or retrofitted golf cart, and such vehicles do not qualify as
10.17 neighborhood electric vehicles.

10.18 Sec. 13. Minnesota Statutes 2006, section 168B.051, subdivision 2, is amended to read:

10.19 Subd. 2. **Sale after 45 days or title transfer.** ~~An~~ (a) If an unauthorized vehicle is
10.20 impounded, other than by the city of Minneapolis or the city of St. Paul, the impounded
10.21 vehicle is eligible for disposal or sale under section 168B.08, the earlier of:

10.22 (1) 45 days after notice to the owner, if the vehicle is determined to be an
10.23 ~~unauthorized vehicle that was not impounded by the city of Minneapolis or the city of~~
10.24 ~~St. Paul;~~ or

10.25 (2) the date of a voluntary written title transfer by the registered owner to the
10.26 impound lot operator.

10.27 (b) A voluntary written title transfer constitutes a waiver by the registered owner of
10.28 any right, title, and interest in the vehicle.

10.29 Sec. 14. Minnesota Statutes 2006, section 168B.06, subdivision 1, is amended to read:

10.30 Subdivision 1. ~~Contents;~~ **Written notice given within five days of impound.** (a)
10.31 When an impounded vehicle is taken into custody, the unit of government or impound lot
10.32 operator taking it into custody shall give written notice of the taking within five days to
10.33 the registered vehicle owner and any lienholders.

11.1 (b) The notice ~~shall~~ must:

11.2 (1) set forth the date and place of the taking;

11.3 (2) provide the year, make, model, and serial number of the impounded motor
 11.4 vehicle, if such information can be reasonably obtained, and the place where the vehicle
 11.5 is being held;

11.6 ~~(2)~~ (3) inform the owner and any lienholders of their right to reclaim the vehicle
 11.7 under section 168B.07; and;

11.8 ~~(3)~~ (4) state that failure of the owner or lienholders to:

11.9 (i) exercise their right to reclaim the vehicle and contents within the appropriate time
 11.10 allowed under section 168B.051, subdivision 1, 1a, or 2, ~~shall be deemed~~ and under the
 11.11 conditions set forth in section 168B.07, subdivision 1, constitutes a waiver by them of all
 11.12 right, title, and interest in the vehicle and contents and a consent to the transfer of title to
 11.13 and disposal or sale of the vehicle and contents pursuant to section 168B.08; or

11.14 (ii) exercise their right to reclaim the contents of the vehicle within the appropriate
 11.15 time allowed and under the conditions set forth in section 168B.07, subdivision 3,
 11.16 constitutes a waiver by them of all right, title, and interest in the contents and consent to
 11.17 sell or dispose of the contents under section 168B.08; and

11.18 (5) state that a vehicle owner who provides to the impound lot operator
 11.19 documentation from a government or nonprofit agency or legal aid office that the owner
 11.20 is homeless, receives relief based on need, is eligible for legal aid services, or has a
 11.21 household income at or below 50 percent of state median income has the unencumbered
 11.22 right to retrieve any and all contents without charge.

11.23 Sec. 15. Minnesota Statutes 2006, section 168B.06, subdivision 3, is amended to read:

11.24 Subd. 3. **Unauthorized vehicle; second notice.** If an unauthorized vehicle remains
 11.25 unclaimed after 30 days from the date the notice was sent under subdivision 2, a second
 11.26 notice ~~shall~~ must be sent by certified mail, return receipt requested, to the registered owner,
 11.27 if any, of the unauthorized vehicle and to all readily identifiable lienholders of record.

11.28 Sec. 16. Minnesota Statutes 2006, section 168B.07, is amended by adding a
 11.29 subdivision to read:

11.30 Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

11.31 (1) "contents" does not include any permanently affixed mechanical or
 11.32 nonmechanical automobile parts; automobile body parts; or automobile accessories,
 11.33 including audio or video players; and

12.1 (2) "relief based on need" includes, but is not limited to, receipt of MFIP and
12.2 Diversionary Work Program, medical assistance, general assistance, general assistance
12.3 medical care, emergency general assistance, Minnesota supplemental aid (MSA),
12.4 MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy
12.5 assistance, emergency assistance, Food Stamps, earned income tax credit, or Minnesota
12.6 working family tax credit.

12.7 (b) A unit of government or impound lot operator shall establish reasonable
12.8 procedures for retrieval of vehicle contents, and may establish reasonable procedures to
12.9 protect the safety and security of the impound lot and its personnel.

12.10 (c) At any time before the expiration of the waiting periods provided in section
12.11 168B.051, a registered owner who provides documentation from a government or
12.12 nonprofit agency or legal aid office that the registered owner is homeless, receives relief
12.13 based on need, is eligible for legal aid services, or has a household income at or below 50
12.14 percent of state median income has the unencumbered right to retrieve any and all contents
12.15 without charge and regardless of whether the registered owner pays incurred charges or
12.16 fees, transfers title, or reclaims the vehicle.

12.17 (d) At any time before the expiration of the waiting periods provided in section
12.18 168B.051, a registered owner other than a registered owner described in paragraph (c)
12.19 has the unencumbered right to retrieve the following contents: medicine; medical-related
12.20 items and equipment; clothing; eyeglasses; educational materials; and legal documents,
12.21 including, but not limited to, a driver's license, identification, passports, insurance
12.22 documents, any other documents related to a pending or concluded judicial or
12.23 administrative proceeding, tax returns, and documents indicating receipt of or eligibility
12.24 for public benefit programs. This provision does not prohibit the return of other contents
12.25 at the discretion of the impound lot operator.

12.26 (e) An impound lot operator is not required to return any contents to a person who is
12.27 not the registered owner of the impounded vehicle, other than legal documents. Legal
12.28 documents include, but are not limited to, driver's license, identification, passports,
12.29 insurance documents, any other documents related to a pending or concluded judicial or
12.30 administrative proceeding, and tax returns. An impound lot operator is not required to
12.31 return any contents to a person who is not the registered owner after the expiration of
12.32 the waiting periods provided in section 168B.051, or if the registered owner voluntarily
12.33 transfers title to the impound lot operator under section 168B.051, subdivision 2.

12.34 Sec. 17. Minnesota Statutes 2006, section 168B.07, is amended by adding a
12.35 subdivision to read:

13.1 Subd. 4. **Waiver of rights.** The failure of the registered owner or lienholders to
13.2 exercise the right to reclaim the vehicle before the expiration of the waiting periods
13.3 provided under section 168B.051 constitutes a waiver of all right, title, and interest in
13.4 the vehicle and a consent to the transfer of title to, and disposal or sale of, the vehicle
13.5 under section 168B.08. The failure of the registered owner to exercise the right provided
13.6 under subdivision 3 constitutes a waiver of all right, title, and interest in the contents and
13.7 a consent to the transfer of title to, and disposal or sale of, the contents under section
13.8 168B.08.

13.9 Sec. 18. Minnesota Statutes 2006, section 168B.08, subdivision 1, is amended to read:

13.10 Subdivision 1. **Auction or sale.** (a) If an abandoned or unauthorized vehicle ~~and~~
13.11 ~~contents~~ taken into custody by a unit of government or any impound lot is not reclaimed
13.12 under section 168B.07, subdivision 1, it may be disposed of or sold at auction or sale when
13.13 eligible pursuant to sections 168B.06 and 168B.07. If the contents of an abandoned or
13.14 unauthorized vehicle taken into custody by a unit of government or any impound lot is not
13.15 reclaimed under section 168B.07, subdivision 3, it may be disposed of or sold at auction
13.16 or sale when eligible pursuant to sections 168B.06 and 168B.07.

13.17 (b) The purchaser shall be given a receipt in a form prescribed by the registrar of
13.18 motor vehicles which shall be sufficient title to dispose of the vehicle. The receipt shall
13.19 also entitle the purchaser to register the vehicle and receive a certificate of title, free and
13.20 clear of all liens and claims of ownership. Before such a vehicle is issued a new certificate
13.21 of title it must receive a motor vehicle safety check.

13.22 Sec. 19. Minnesota Statutes 2006, section 168B.087, subdivision 1, is amended to read:

13.23 Subdivision 1. **Deficiency claim.** (a) The ~~nonpublic~~ impound lot operator has a
13.24 deficiency claim against the registered owner of the vehicle for the reasonable costs of
13.25 services provided in the towing, storage, and inspection of the vehicle minus the proceeds
13.26 of the sale or auction, except as provided in paragraph (c).

13.27 (b) The claim for storage costs may not exceed the costs of:

- 13.28 (1) 25 days storage, for a vehicle described in section 168B.051, subdivision 1; ~~and~~
13.29 (2) 15 days storage, for a vehicle described in section 168B.051, subdivision 1a; and
13.30 (3) 55 days storage, for a vehicle described in section 168B.051, subdivision 2.

13.31 (c) A public impound lot operator is prohibited from:

- 13.32 (1) filing a deficiency claim against a registered owner whom the operator knows:
13.33 (i) is homeless;
13.34 (ii) receives relief based on need, as defined in section 168B.07; or

- 14.1 (iii) has a household income at or below 50 percent of state median income; or
14.2 (2) recovering a deficiency from a registered owner who demonstrates that the
14.3 owner, at the time the deficiency claim was filed:
14.4 (i) was homeless;
14.5 (ii) received relief based on need, as defined in section 168B.07; or
14.6 (iii) had a household income at or below 50 percent of state median income.

14.7 Sec. 20. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision
14.8 to read:

14.9 Subd. 7a. **Spotter truck.** "Spotter truck" means a truck-tractor with a manufacturer's
14.10 certificate of origin "not for on road use" specification, used exclusively for staging or
14.11 shuttling trailers in the course of a truck freight operation or freight shipping operation.

14.12 **EFFECTIVE DATE.** This section is effective the day following final enactment
14.13 and expires June 30, 2013.

14.14 Sec. 21. Minnesota Statutes 2006, section 169.01, subdivision 55, is amended to read:

14.15 Subd. 55. **Implement of husbandry.** "Implement of husbandry" ~~has the meaning~~
14.16 ~~given in section 168A.01, subdivision 8~~ means a self-propelled or towed vehicle designed
14.17 or adapted to be used exclusively for timber-harvesting, agricultural, horticultural, or
14.18 livestock-raising operations.

14.19 Sec. 22. Minnesota Statutes 2006, section 169.01, subdivision 76, is amended to read:

14.20 Subd. 76. **Hazardous materials.** "Hazardous materials" means ~~those materials~~
14.21 ~~found to be hazardous for the purposes of the federal Hazardous Materials Transportation~~
14.22 ~~Act and that require the motor vehicle~~ any material that has been designated as hazardous
14.23 under United States Code, title 49, section 5103, and is required to be placarded under
14.24 Code of Federal Regulations, title 49, ~~parts 100-185~~ part 172, subpart F, or any quantity of
14.25 a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

14.26 Sec. 23. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision
14.27 to read:

14.28 Subd. 93. **Wireless communications device.** "Wireless communications device"
14.29 means (1) a cellular phone, or (2) a portable electronic device that is capable of receiving
14.30 and transmitting data, including but not limited to text messages and e-mail, without an
14.31 access line for service. A wireless communications device does not include a device that

15.1 is permanently affixed to the vehicle, including a global positioning system or navigation
15.2 system.

15.3 Sec. 24. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision
15.4 to read:

15.5 Subd. 94. **Medium-speed electric vehicle.** "Medium-speed electric vehicle"
15.6 means an electrically powered four-wheeled motor vehicle, equipped with a roll cage or
15.7 crushproof body design, that can attain a maximum speed of 35 miles per hour on a paved
15.8 level surface, is fully enclosed and has at least one door for entry, has a wheelbase of 40
15.9 inches or greater and a wheel diameter of ten inches or greater, and except with respect to
15.10 maximum speed otherwise meets or exceeds regulations in Code of Federal Regulations,
15.11 title 49, section 571.500, and successor requirements.

15.12 Sec. 25. Minnesota Statutes 2006, section 169.18, subdivision 1, is amended to read:

15.13 Subdivision 1. **Keep to the right.** Upon all roadways of sufficient width a vehicle
15.14 shall be driven upon the right half of the roadway, except as follows:

15.15 (1) when overtaking and passing another vehicle proceeding in the same direction
15.16 under the rules governing such movement;

15.17 (2) when the right half of a roadway is closed to traffic while under construction
15.18 or repair;

15.19 (3) upon a roadway divided into three marked lanes for traffic under the rules
15.20 applicable thereon;

15.21 (4) upon a roadway designated and signposted for one-way traffic as a one-way
15.22 roadway; ~~or~~

15.23 (5) as necessary to comply with subdivision 11 when approaching an authorized
15.24 emergency vehicle parked or stopped on the roadway; or

15.25 (6) as necessary to comply with subdivision 12 when approaching a road
15.26 maintenance or construction vehicle parked or stopped on the roadway.

15.27 Sec. 26. Minnesota Statutes 2006, section 169.18, subdivision 5, is amended to read:

15.28 Subd. 5. **Driving left of roadway center; exception.** (a) No vehicle shall be driven
15.29 to the left side of the center of the roadway in overtaking and passing another vehicle
15.30 proceeding in the same direction unless such left side is clearly visible and is free of
15.31 oncoming traffic for a sufficient distance ahead to permit such overtaking and passing to
15.32 be completely made without interfering with the safe operation of any vehicle approaching
15.33 from the opposite direction or any vehicle overtaken. In every event the overtaking

16.1 vehicle must return to the right-hand side of the roadway before coming within 100 feet
16.2 of any vehicle approaching from the opposite direction.

16.3 (b) Except on a one-way roadway or as provided in paragraph (c), no vehicle shall,
16.4 in overtaking and passing another vehicle or at any other time, be driven to the left half of
16.5 the roadway under the following conditions:

16.6 (1) when approaching the crest of a grade or upon a curve in the highway where the
16.7 driver's view along the highway is obstructed within a distance of 700 feet;

16.8 (2) when approaching within 100 feet of any underpass or tunnel, railroad grade
16.9 crossing, intersection within a city, or intersection outside of a city if the presence of the
16.10 intersection is marked by warning signs; or

16.11 (3) where official signs are in place prohibiting passing, or a distinctive centerline
16.12 is marked, which distinctive line also so prohibits passing, as declared in the Manual on
16.13 Uniform Traffic Control Devices adopted by the commissioner.

16.14 ~~(c) Paragraph (b) does not apply to a self-propelled or towed implement of~~
16.15 ~~husbandry that (1) is escorted at the front by a registered motor vehicle that is displaying~~
16.16 ~~vehicular hazard warning lights visible to the front and rear in normal sunlight, and (2)~~
16.17 ~~does not extend into the left half of the roadway to any greater extent than made necessary~~
16.18 ~~by the total width of the right half of the roadway together with any adjacent shoulder~~
16.19 ~~that is suitable for travel.~~

16.20 ~~(d) Paragraph (b) does not apply to a self-propelled or towed implement of~~
16.21 ~~husbandry that is operated to the left half of the roadway if such operation is not to a~~
16.22 ~~greater extent than is necessary to avoid collision with a parked vehicle, sign, or other~~
16.23 ~~stationary object located on the highway right-of-way.~~

16.24 Sec. 27. Minnesota Statutes 2006, section 169.18, is amended by adding a subdivision
16.25 to read:

16.26 Subd. 12. **Passing certain parked vehicles; citation; probable cause.** (a) When
16.27 approaching and before passing a freeway service patrol, road maintenance, or construction
16.28 vehicle with its warning lights activated that is parked or otherwise stopped on or next to
16.29 a street or highway having two lanes in the same direction, the driver of a vehicle shall
16.30 safely move the vehicle to the lane farthest away from the vehicle, if it is possible to do so.

16.31 (b) When approaching and before passing a freeway service patrol, road
16.32 maintenance, or construction vehicle with its warning lights activated that is parked or
16.33 otherwise stopped on or next to a street or highway having more than two lanes in the
16.34 same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full

17.1 lane vacant between the driver and any lane in which the vehicle is completely or partially
17.2 parked or otherwise stopped, if it is possible to do so.

17.3 (c) A peace officer may issue a citation to the driver of a motor vehicle if the peace
17.4 officer has probable cause to believe that the driver has operated the vehicle in violation of
17.5 this subdivision within the four-hour period following the termination of the incident.

17.6 Sec. 28. Minnesota Statutes 2006, section 169.224, is amended to read:

17.7 **169.224 NEIGHBORHOOD AND MEDIUM-SPEED ELECTRIC VEHICLES.**

17.8 Subdivision 1. **Definition.** For purposes of this section, "road authority" means the
17.9 commissioner, as to trunk highways; the county board, as to county state-aid highways
17.10 and county highways; the town board, as to town roads; and the governing body of
17.11 a city, as to city streets.

17.12 Subd. 2. **Required equipment.** Notwithstanding any other law, a neighborhood
17.13 electric vehicle or a medium-speed electric vehicle may be operated on public streets and
17.14 highways if it meets all equipment and vehicle safety requirements in Code of Federal
17.15 Regulations, title 49, section 571.500, and successor requirements.

17.16 Subd. 3. **Operation.** A neighborhood electric vehicle or a medium-speed electric
17.17 vehicle may not be operated on a street or highway with a speed limit greater than 35 miles
17.18 per hour, except to make a direct crossing of that street or highway.

17.19 Subd. 4. **Restrictions and prohibitions.** (a) A road authority, including the
17.20 commissioner of transportation by order, may prohibit or further restrict the operation
17.21 of neighborhood electric vehicles and medium-speed electric vehicles on any street or
17.22 highway under the road authority's jurisdiction.

17.23 (b) Neither a neighborhood electric vehicle nor a medium-speed electric vehicle may
17.24 ~~not~~ be used to take any examination to demonstrate ability to exercise control in the
17.25 operation of a motor vehicle as required under section 171.13.

17.26 Sec. 29. **[169.228] SPOTTER TRUCKS.**

17.27 Notwithstanding any other law, a spotter truck may be operated on public streets
17.28 and highways if:

17.29 (1) the operator has a valid class A, B, or C driver's license;

17.30 (2) the vehicle complies with the size, weight, and load restrictions under this
17.31 chapter;

17.32 (3) the vehicle meets all inspection requirements under section 169.781; and

17.33 (4) the vehicle is operated (i) within a zone of two air miles from the truck freight
17.34 operation or freight shipping operation where the vehicle is housed, or (ii) directly to and

18.1 from a repair shop, service station, or fueling station for the purpose of repair, servicing,
18.2 or refueling.

18.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
18.4 and expires June 30, 2013.

18.5 Sec. 30. Minnesota Statutes 2007 Supplement, section 169.443, subdivision 9, is
18.6 amended to read:

18.7 Subd. 9. **Personal cellular phone call prohibition.** (a) As used in this subdivision,
18.8 "school bus" has the meaning given in section 169.01, subdivision 6. In addition, the term
18.9 includes type III school buses as described in section 169.01, subdivision 6, clause (5),
18.10 when driven by employees or agents of school districts for transportation.

18.11 (b) A school bus driver may not operate a school bus while communicating over, or
18.12 otherwise operating, a cellular phone for personal reasons, whether hand-held or hands
18.13 free, when the vehicle is in motion.

18.14 **EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to crimes
18.15 committed on or after that date.

18.16 Sec. 31. **[169.475] USE OF WIRELESS COMMUNICATIONS DEVICE.**

18.17 Subdivision 1. **Definition.** For purposes of this section, "electronic message"
18.18 means a self-contained piece of digital communication that is designed or intended to
18.19 be transmitted between physical devices. An electronic message includes, but is not
18.20 limited to, e-mail, a text message, an instant message, a command or request to access
18.21 a World Wide Web page, or other data that uses a commonly recognized electronic
18.22 communications protocol. An electronic message does not include voice or other data
18.23 transmitted as a result of making a phone call, or data transmitted automatically by a
18.24 wireless communications device without direct initiation by a person.

18.25 Subd. 2. **Prohibition on use.** No person may operate a motor vehicle while using a
18.26 wireless communications device to compose, read, or send an electronic message, when
18.27 the vehicle is in motion or a part of traffic.

18.28 Subd. 3. **Exceptions.** This section does not apply if a wireless communications
18.29 device is used:

18.30 (1) solely in a voice-activated or other hands-free mode;

18.31 (2) for making a cellular phone call;

18.32 (3) for obtaining emergency assistance to (i) report a traffic accident, medical
18.33 emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed;

- 19.1 (4) in the reasonable belief that a person's life or safety is in immediate danger; or
19.2 (5) in an authorized emergency vehicle while in the performance of official duties.

19.3 Sec. 32. Minnesota Statutes 2006, section 169.67, subdivision 3, is amended to read:

19.4 Subd. 3. **Trailer, semitrailer.** (a) No trailer or semitrailer with a gross vehicle
19.5 weight of 3,000 or more pounds, or a gross weight that exceeds the empty weight of the
19.6 towing vehicle, may be drawn on a highway unless it is equipped with brakes that are
19.7 adequate to control the movement of and to stop and hold the trailer or semitrailer. A
19.8 surge brake on a trailer or semitrailer meets the requirement of this paragraph for brakes
19.9 adequate to stop and hold the trailer or semitrailer.

19.10 (b) No trailer or semitrailer ~~that is required to have brakes and that has~~ with a gross
19.11 vehicle weight of more than ~~6,000~~ 3,000 pounds may be drawn on a highway unless it is
19.12 equipped with brakes that are so constructed that they are adequate to stop and hold the
19.13 trailer or semitrailer whenever it becomes detached from the towing vehicle.

19.14 (c) Except as provided in paragraph (d), paragraph (a) does not apply to:

19.15 (1) ~~a trailer used by a farmer while transporting farm products produced on the user's~~
19.16 ~~farm, or supplies back to the farm of the trailer's user;~~

19.17 ~~(2)~~ a towed custom service vehicle drawn by a motor vehicle that is equipped with
19.18 brakes that meet the standards of subdivision 5, provided that such a towed custom service
19.19 vehicle that exceeds 30,000 pounds gross weight may not be drawn at a speed of more
19.20 than 45 miles per hour;

19.21 ~~(3) a trailer or semitrailer operated or used by retail dealers of implements of~~
19.22 ~~husbandry while engaged exclusively in the delivery of implements of husbandry;~~

19.23 ~~(4)~~ (2) a motor vehicle drawn by another motor vehicle that is equipped with brakes
19.24 that meet the standards of subdivision 5; and

19.25 ~~(5) a tank trailer of not more than 12,000 pounds gross weight owned by a distributor~~
19.26 ~~of liquid fertilizer while engaged exclusively in transporting liquid fertilizer, or gaseous~~
19.27 ~~fertilizer under pressure;~~

19.28 ~~(6) a trailer of not more than 12,000 pounds gross weight owned by a distributor of~~
19.29 ~~dry fertilizer while engaged exclusively in the transportation of dry fertilizer; and~~

19.30 ~~(7)~~ (3) a disabled vehicle while being towed to a place of repair.

19.31 (d) Vehicles described in paragraph (c), ~~clauses (1), (3), and (4)~~ clause (2), may be
19.32 operated without complying with paragraph (a) only if the trailer or semitrailer does
19.33 not exceed the following gross weights:

19.34 (1) 3,000 pounds while being drawn by a vehicle registered as a passenger
19.35 automobile, other than a pickup truck as defined in section 168.011, subdivision 29;

20.1 (2) 12,000 pounds while being drawn by any other motor vehicle ~~except a~~
20.2 ~~self-propelled implement of husbandry.~~

20.3 Sec. 33. Minnesota Statutes 2006, section 169.781, subdivision 1, is amended to read:

20.4 Subdivision 1. **Definitions.** For purposes of sections 169.781 to 169.783:

20.5 (a) "Commercial motor vehicle" means:

20.6 (1) a commercial motor vehicle as defined in section 169.01, subdivision 75,
20.7 paragraph (a); ~~and~~

20.8 (2) each vehicle in a combination of more than 26,000 pounds; and

20.9 (3) a spotter truck.

20.10 "Commercial motor vehicle" does not include ~~(1)~~ a school bus or Head Start bus
20.11 displaying a certificate under section 169.451, ~~(2)~~ a bus operated by the Metropolitan
20.12 Council or by a local transit commission created in chapter 458A, or ~~(3)~~ a motor vehicle
20.13 ~~that is~~ required to be placarded under Code of Federal Regulations, title 49, parts 100-185.

20.14 (b) "Commissioner" means the commissioner of public safety.

20.15 (c) "Owner" means a person who owns, or has control, under a lease of more than 30
20.16 days' duration, of one or more commercial motor vehicles.

20.17 (d) "Storage semitrailer" means a semitrailer that (1) is used exclusively to store
20.18 property at a location not on a street or highway, (2) does not contain any load when
20.19 moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked
20.20 on each side of the semitrailer "storage only" in letters at least six inches high.

20.21 (e) "Building mover vehicle" means a vehicle owned or leased by a building mover
20.22 as defined in section 221.81, subdivision 1, paragraph (a), and used exclusively for
20.23 moving buildings.

20.24 **EFFECTIVE DATE.** This section is effective the day following final enactment
20.25 and expires June 30, 2013.

20.26 Sec. 34. Minnesota Statutes 2006, section 169.781, subdivision 2, is amended to read:

20.27 Subd. 2. **Inspection required.** It is unlawful for a person to operate or permit
20.28 the operation of:

20.29 (1) a commercial motor vehicle registered in Minnesota or a spotter truck; or

20.30 (2) special mobile equipment as defined in section 168.011, subdivision 22, and
20.31 which is self-propelled, if it is mounted on a commercial motor vehicle chassis,

20.32 unless the vehicle displays a valid safety inspection decal issued by an inspector certified
20.33 by the commissioner, or the vehicle carries (1) proof that the vehicle complies with

21.1 federal motor vehicle inspection requirements for vehicles in interstate commerce, and
21.2 (2) a certificate of compliance with federal requirements issued by the commissioner
21.3 under subdivision 9.

21.4 **EFFECTIVE DATE.** This section is effective the day following final enactment
21.5 and expires on June 30, 2013.

21.6 Sec. 35. Minnesota Statutes 2006, section 169.781, subdivision 5, is amended to read:

21.7 Subd. 5. **Inspection decal; violation, penalty.** (a) A person inspecting a
21.8 commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected
21.9 component of the vehicle complies with federal motor carrier safety regulations. The decal
21.10 must state that in the month specified on the decal the vehicle was inspected and each
21.11 inspected component complied with federal motor carrier safety regulations. The decal is
21.12 valid for 12 months after the month specified on the decal. The commissioners of public
21.13 safety and transportation shall make decals available, at a fee of not more than \$2 for each
21.14 decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

21.15 (b) Minnesota inspection decals may be affixed only to:

21.16 (1) commercial motor vehicles bearing Minnesota-based license plates; or
21.17 (2) special mobile equipment, within the meaning of subdivision 2, clause (2).

21.18 (c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less
21.19 than 57,000 pounds gross vehicle weight and registered as a farm truck, (2) a storage
21.20 semitrailer, or (3) a building mover vehicle must issue an inspection decal to the vehicle
21.21 unless the vehicle has one or more defects that would result in the vehicle being declared
21.22 out of service under the North American Uniform Driver, Vehicle, and Hazardous
21.23 Materials Out-of-Service Criteria issued by the Federal Highway Administration and the
21.24 Commercial Vehicle Safety Alliance. A decal issued to a vehicle described in clause (1),
21.25 (2), or (3) is valid for two years from the date of issuance. A decal issued to such a vehicle
21.26 must clearly indicate that it is valid for two years from the date of issuance.

21.27 (d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered
21.28 as a farm truck, (2) is not operated more than 75 miles from the owner's home post office,
21.29 and (3) was manufactured before 1979 that has a dual transmission system, is not required
21.30 to comply with a requirement in an inspection standard that requires that the service brake
21.31 system and parking brake system be separate systems in the motor vehicle.

21.32 (e) A person who, with the intent to defraud, falsely makes, duplicates, alters, or
21.33 forges a decal or other writing or thing purporting to be a Minnesota inspection decal
21.34 described in this subdivision is guilty of a felony. A person who, with the intent to defraud,

22.1 possesses a decal or other writing or thing falsely purporting to be a Minnesota inspection
22.2 decal described in this subdivision is guilty of a gross misdemeanor.

22.3 Sec. 36. Minnesota Statutes 2006, section 169.79, is amended to read:

22.4 **169.79 VEHICLE REGISTRATION; DISPLAYING LICENSE PLATES.**

22.5 Subdivision 1. **Registration required.** No person shall operate, drive, or park a
22.6 motor vehicle on any highway unless the vehicle is registered in accordance with the laws
22.7 of this state and has the number plates or permit confirming that valid registration or
22.8 operating authority has been obtained, except as provided in sections 168.10 and 168.12,
22.9 subdivision 2f, as assigned to it by the commissioner of public safety, conspicuously
22.10 displayed thereon in a manner that the view of any plate or permit is not obstructed. A
22.11 plate issued under section 168.27 or a permit issued under chapter 168 may be displayed
22.12 on a vehicle in conjunction with expired registration whether or not it displays the license
22.13 plate to which the last registration was issued.

22.14 Subd. 2. **Semitrailer.** If the vehicle is a semitrailer, the number plate displayed must
22.15 be assigned to the registered owner and correlate to the ~~certificate of title~~ documentation
22.16 on file with the department ~~and shall not display a year indicator.~~

22.17 Subd. 3. **Rear display of single plate.** If the vehicle is a motorcycle, motor scooter,
22.18 motorized bicycle, motorcycle sidecar, trailer registered at greater than 3,000 pounds
22.19 gross vehicle weight (GVW), semitrailer, or vehicle displaying a dealer plate, then one
22.20 license plate must be displayed horizontally with the identifying numbers and letters
22.21 facing outward from the vehicle and must be mounted in the upright position on the
22.22 rear of the vehicle.

22.23 Subd. 3a. **Small trailer.** If the vehicle is a trailer with 3,000 pounds or less GVW
22.24 with lifetime registration, the numbered plate or sticker must be adhered to the side of the
22.25 trailer frame tongue near the hitch.

22.26 Subd. 4. **Collector's vehicle.** If the vehicle is (1) a collector's vehicle with a pioneer,
22.27 classic car, collector, or street rod license; (2) a vehicle that meets the requirements
22.28 of a pioneer, classic, or street rod vehicle except that the vehicle is used for general
22.29 transportation purposes; or (3) a vehicle that is of model year 1972 or earlier, not registered
22.30 under section 168.10, subdivision 1c, and is used for general transportation purposes, then
22.31 one plate must be displayed on the rear of the vehicle, or one plate on the front and one
22.32 on the rear, at the discretion of the owner.

22.33 Subd. 5. **Truck-tractor, road-tractor, or farm truck.** If the vehicle is a
22.34 truck-tractor, road-tractor, or farm truck, as defined in section 168.011, subdivision 17, but

excluding from that definition semitrailers and trailers, then one plate must be displayed on the front of the vehicle.

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4, one plate must be displayed on the front and one on the rear of the vehicle.

Subd. 7. **Plate fastened and visible.** All plates must be (1) securely fastened so as to prevent them from swinging, (2) displayed horizontally with the identifying numbers and letters facing outward from the vehicle, and (3) mounted in the upright position. The person driving the motor vehicle shall keep the plate legible and unobstructed and free from grease, dust, or other blurring material so that the lettering is plainly visible at all times. It is unlawful to cover any assigned letters and numbers or the name of the state of origin of a license plate with any material whatever, including any clear or colorless material that affects the plate's visibility or reflectivity.

Subd. 8. **Plate registration stickers.** As viewed facing the plates:

(a) License plates issued to vehicles registered under section 168.017 must display the month of expiration in the lower left corner ~~as viewed facing the~~ of each plate and the year of expiration in the lower right corner ~~as viewed facing the~~ of each plate.

(b) License plates issued to vehicles registered under section 168.127 must display either fleet registration validation stickers in the lower right corner ~~as viewed facing the plates of each plate~~ or distinctive license plates, issued by the registrar, with "FLEET REG" displayed on the bottom center portion of ~~the~~ each plate.

(c) License plates issued after July 1, 2008, requiring validation must display the month of expiration in the lower left corner of each plate and the year of expiration in the lower right corner of the plate.

Subd. 9. **Tax-exempt vehicle marking.** Vehicles displaying tax-exempt plates issued under section 16B.581 or 168.012 must have vehicle markings that comply with section 168.012, subdivision 1.

Sec. 37. Minnesota Statutes 2006, section 169.801, is amended to read:

169.801 IMPLEMENT OF HUSBANDRY.

Subdivision 1. **Exemption from size, weight, load provisions.** Except as provided in this section and section 169.82, the provisions of sections 169.80 to 169.88 that govern size, weight, and load do not apply to:

- ~~(1) a horse-drawn wagon while carrying a load of loose straw or hay;~~
- ~~(2) a specialized vehicle resembling a low-slung trailer having a short bed or platform, while transporting one or more implements of husbandry; or~~

~~(3) an implement of husbandry while being driven or towed at a speed of not more than 30 miles per hour; provided that this exemption applies to an implement of husbandry owned, leased, or under the control of a farmer or implement dealer only while the implement of husbandry is being operated on noninterstate roads or highways within 75 miles of any farmland or implement dealership: (i) owned, leased, or operated by the farmer or implement dealer and (ii) on which the farmer or implement dealer regularly uses or sells or leases the implement of husbandry while operated in compliance with this section.~~

Subd. 2. **Weight per inch of tire width restrictions.** (a) An implement of husbandry that is not self-propelled and is equipped with pneumatic tires may not be operated on a public highway with a maximum wheel load that exceeds ~~600 pounds per inch of tire width before August 1, 1996, and 500 pounds per inch of tire width on and after August 1, 1996.~~

(b) After December 31, 2009, a person operating or towing an implement of husbandry on a bridge must comply with the gross weight limitations provided in section 169.824.

Subd. 3. **Hitches.** A towed implement of husbandry must be equipped with (1) safety chains that meet the requirements of section 169.82, subdivision 3, paragraph (b); (2) a regulation fifth wheel and kingpin assembly approved by the commissioner of public safety; or (3) a hitch pin or other hitching device with a retainer that prevents accidental unhitching.

Subd. 4. **Bridge posting.** Despite subdivision 2, a person operating or towing an implement of husbandry must comply with a sign that limits the maximum weight allowed on a bridge.

Subd. 5. **Height and width.** A person operating, towing, or transporting an implement of husbandry that is higher than 13 feet six inches or wider than allowed under section 169.80, subdivision 2, must ensure that the operation or transportation does not damage a highway structure, utility line or structure, or other fixture adjacent to or over a public highway.

Subd. 6. **Speed.** No person may operate or tow an implement of husbandry at a speed of more than 30 miles per hour.

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if it is escorted at the front by a vehicle displaying hazard warning

25.1 lights visible in normal sunlight and the operation does not extend into the left half of the
25.2 roadway more than is necessary.

25.3 Subd. 8. **Lights.** An implement of husbandry must be equipped with lights that
25.4 comply with section 169.55, subdivisions 2 and 3.

25.5 Subd. 9. **Slow moving vehicle emblem.** An implement of husbandry must comply
25.6 with section 169.522.

25.7 Subd. 10. **Brakes.** Notwithstanding section 169.67:

25.8 (a) A self-propelled implement of husbandry must be equipped with brakes adequate
25.9 to control its movement and to stop and hold it and any vehicle it is towing.

25.10 (b) A towed implement of husbandry must be equipped with brakes adequate to
25.11 control its movement and to stop and hold it if:

25.12 (1) it has a gross vehicle weight of more than 24,000 pounds and was manufactured
25.13 and sold after January 1, 1994;

25.14 (2) it has a gross vehicle weight of more than 12,000 pounds and is towed by a
25.15 vehicle other than a self-propelled implement of husbandry; or

25.16 (3) it has a gross vehicle weight of more than 3,000 pounds and is being towed by a
25.17 registered passenger automobile other than a pickup truck as defined in section 168.011,
25.18 subdivision 29.

25.19 (c) If a towed implement of husbandry with a gross vehicle weight of more than
25.20 6,000 pounds is required under paragraph (b) to have brakes, it must also have brakes
25.21 adequate to stop and hold it if it becomes detached from the towing vehicle.

25.22 Subd. 11. **Manure application technologies.** The Department of Transportation
25.23 shall investigate and recommend opportunities for infrastructure adaptation to
25.24 accommodate the implementation of manure application technologies that lessen impacts
25.25 on roads and bridges.

25.26 Sec. 38. Minnesota Statutes 2006, section 169.82, subdivision 3, is amended to read:

25.27 Subd. 3. **Hitch, chain, or cable.** (a) Every trailer or semitrailer must be hitched to
25.28 the towing motor vehicle by a device approved by the commissioner of public safety.

25.29 (b) Every trailer and semitrailer must be equipped with safety chains or cables
25.30 permanently attached to the trailer except in cases where the coupling device is a
25.31 regulation fifth wheel and kingpin assembly approved by the commissioner of public
25.32 safety. In towing, the chains or cables must be attached to the vehicles near the points of
25.33 bumper attachments to the chassis of each vehicle, and must be of sufficient strength to
25.34 control the trailer in the event of failure of the towing device. The length of chain or cable

26.1 must be no more than necessary to permit free turning of the vehicles. A minimum fine
26.2 of \$25 must be imposed for a violation of this paragraph.

26.3 (c) This subdivision does not apply to towed implements of husbandry.

26.4 (d) No person may be charged with a violation of this section solely by reason of
26.5 violating a maximum speed prescribed in section ~~169.145~~ or 169.67 or 169.801.

26.6 Sec. 39. Minnesota Statutes 2006, section 169.826, subdivision 1a, is amended to read:

26.7 Subd. 1a. **Harvest season increase amount.** The limitations provided in sections
26.8 169.822 to 169.829 are increased by ten percent from the beginning of harvest to
26.9 November 30 each year for the movement of sugar beets, carrots, and potatoes from the
26.10 field of harvest to the point of the first unloading. Transfer of the product from a farm
26.11 vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not
26.12 considered to be the first unloading. A permit issued under section 169.86, subdivision 1,
26.13 paragraph (a), is required. The commissioner shall not issue permits under this subdivision
26.14 if to do so will result in a loss of federal highway funding to the state.

26.15 Sec. 40. Minnesota Statutes 2006, section 169.85, subdivision 1, is amended to read:

26.16 Subdivision 1. **Driver to stop for weighing.** (a) The driver of a vehicle that has
26.17 been lawfully stopped may be required by an officer to submit the vehicle and load to a
26.18 weighing by means of portable or stationary scales.

26.19 (b) In addition, the officer may require that the vehicle be driven to the nearest
26.20 available scales, but only if:

26.21 (1) the distance to the scales is no further than five miles, or if the distance from the
26.22 point where the vehicle is stopped to the vehicle's destination is not increased by more
26.23 than ten miles as a result of proceeding to the nearest available scales; and

26.24 (2) if the vehicle is a commercial motor vehicle, no more than two other commercial
26.25 motor vehicles are waiting to be inspected at the scale.

26.26 (c) Official traffic control devices as authorized by section 169.06 may be used to
26.27 direct the driver to the nearest scale.

26.28 (d) When a truck weight enforcement operation is conducted by means of portable or
26.29 stationary scales, signs giving notice of the operation must be posted within the highway
26.30 right-of-way and adjacent to the roadway within two miles of the operation. The driver of
26.31 a truck or combination of vehicles registered for or ~~weighing in excess of 12,000~~ with a
26.32 gross vehicle weight exceeding 10,000 pounds shall proceed to the scale site and submit
26.33 the vehicle to weighing and inspection.

27.1 Sec. 41. Minnesota Statutes 2006, section 169.86, is amended by adding a subdivision
27.2 to read:

27.3 Subd. 8. **Tow truck.** A tow truck or towing vehicle, when towing a disabled or
27.4 damaged vehicle to a place of repair or to a place of safekeeping, may exceed the length
27.5 and weight limitations of this chapter, subject to a \$300 annual permit fee and any other
27.6 conditions prescribed by the commissioner.

27.7 Sec. 42. Minnesota Statutes 2006, section 169A.03, subdivision 23, is amended to read:

27.8 Subd. 23. **School bus.** "School bus" has the meaning given in section 169.01,
27.9 subdivision 6. In addition, the term includes type III school buses as described in section
27.10 169.01, subdivision 6, clause (5), when driven by employees or agents of school districts
27.11 for transportation.

27.12 **EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to crimes
27.13 committed on or after that date.

27.14 Sec. 43. Minnesota Statutes 2006, section 171.01, subdivision 35, is amended to read:

27.15 Subd. 35. **Hazardous materials.** "Hazardous materials" means ~~those materials~~
27.16 ~~found to be hazardous for the purposes of the federal Hazardous Materials Transportation~~
27.17 ~~Act and that require the motor vehicle~~ any material that has been designated as hazardous
27.18 under United States Code, title 49, section 5103, and is required to be placarded under
27.19 Code of Federal Regulations, title 49, ~~parts 100-185~~ part 172, subpart F, or any quantity of
27.20 a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

27.21 Sec. 44. Minnesota Statutes 2006, section 171.01, subdivision 46, is amended to read:

27.22 Subd. 46. **School bus.** "School bus" ~~means a motor vehicle used to transport pupils~~
27.23 ~~to or from a school defined in section 120A.22, or to or from school-related activities,~~
27.24 ~~by the school or a school district or by someone under an agreement with the school or a~~
27.25 ~~school district. A school bus does not include a motor vehicle transporting children to or~~
27.26 ~~from school for which parents or guardians receive direct compensation from a school~~
27.27 ~~district, a motor coach operating under charter carrier authority, a transit bus providing~~
27.28 ~~services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as~~
27.29 ~~a type III vehicle under section 169.01, subdivision 6, paragraph (5), when the vehicle~~
27.30 ~~is properly registered and insured and being driven by an employee or agent of a school~~
27.31 ~~district for nonscheduled transportation.~~ has the meaning given in section 169.01,
27.32 subdivision 6.

28.1 Sec. 45. Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2, is
28.2 amended to read:

28.3 Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers'
28.4 licenses are classified according to the types of vehicles that may be driven by the holder
28.5 of each type or class of license. The commissioner may, as appropriate, subdivide the
28.6 classes listed in this subdivision and issue licenses classified accordingly.

28.7 (b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no
28.8 class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer
28.9 or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless
28.10 so endorsed. There are four general classes of licenses as described in paragraphs (c)
28.11 through (f).

28.12 (c) Class D drivers' licenses are valid for:

28.13 (1) operating all farm trucks if the farm truck is:

28.14 (i) controlled and operated by a farmer, including operation by an immediate family
28.15 member or an employee of the farmer;

28.16 (ii) used to transport agricultural products, farm machinery, or farm supplies,
28.17 including hazardous materials, to or from a farm;

28.18 (iii) not used in the operations of a common or contract motor carrier as governed by
28.19 Code of Federal Regulations, title 49, part 365; and

28.20 (iv) used within 150 miles of the farm;

28.21 (2) notwithstanding paragraph (b), operating an authorized emergency vehicle,
28.22 as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds
28.23 gross vehicle weight;

28.24 (3) operating a recreational vehicle as defined in section 168.011, subdivision 25,
28.25 that is operated for personal use;

28.26 (4) operating all single-unit vehicles except vehicles with a gross vehicle weight of
28.27 more than 26,000 pounds, vehicles designed to carry more than 15 passengers including
28.28 the driver, and vehicles that carry hazardous materials;

28.29 (5) notwithstanding paragraph (d), operating a type A school bus or a multifunctional
28.30 school activity bus without a school bus endorsement if:

28.31 (i) the bus has a gross vehicle weight of 10,000 pounds or less;

28.32 (ii) the bus is designed to transport 15 or fewer passengers, including the driver; and

28.33 (iii) the requirements of subdivision 2a are satisfied, as determined by the
28.34 commissioner;

28.35 (6) operating any vehicle or combination of vehicles when operated by a licensed
28.36 peace officer while on duty; and

29.1 (7) towing vehicles if:

29.2 (i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or

29.3 (ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and

29.4 the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

29.5 (d) Class C drivers' licenses are valid for:

29.6 (1) operating class D motor vehicles;

29.7 (2) with a hazardous materials endorsement, ~~transporting hazardous materials in~~
29.8 operating class D vehicles to transport hazardous materials; and

29.9 (3) with a passenger endorsement, operating buses; and

29.10 ~~(3) (4) with a passenger endorsement and school bus endorsement, operating school~~
29.11 ~~buses designed to transport 15 or fewer passengers, including the driver.~~

29.12 (e) Class B drivers' licenses are valid for:

29.13 (1) operating all class C motor vehicles, class D motor vehicles, and all other
29.14 single-unit motor vehicles including, with a passenger endorsement, buses; and

29.15 (2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

29.16 (f) Class A drivers' licenses are valid for operating any vehicle or combination of
29.17 vehicles.

29.18 Sec. 46. Minnesota Statutes 2006, section 171.02, is amended by adding a subdivision
29.19 to read:

29.20 Subd. 2b. **Exception for type III school bus drivers.** (a) Notwithstanding
29.21 subdivision 2, paragraph (c), the holder of a class D driver's license, without a school bus
29.22 endorsement, may operate a type III school bus described in section 169.01, subdivision 6,
29.23 clause (5), under the conditions in paragraphs (b) through (n).

29.24 (b) The operator is an employee of the entity that owns, leases, or contracts for
29.25 the school bus.

29.26 (c) The operator's employer has adopted and implemented a policy that provides for
29.27 annual training and certification of the operator in:

29.28 (1) safe operation of a type III school bus;

29.29 (2) understanding student behavior, including issues relating to students with
29.30 disabilities;

29.31 (3) encouraging orderly conduct of students on the bus and handling incidents of
29.32 misconduct appropriately;

29.33 (4) knowing and understanding relevant laws, rules of the road, and local school
29.34 bus safety policies;

29.35 (5) handling emergency situations;

- 30.1 (6) proper use of seat belts and child safety restraints;
30.2 (7) performance of pretrip vehicle inspections; and
30.3 (8) safe loading and unloading of students, including, but not limited to:
30.4 (i) utilizing a safe location for loading and unloading students at the curb, on the
30.5 nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other
30.6 areas to enable the student to avoid hazardous conditions;
30.7 (ii) refraining from loading and unloading students in a vehicular traffic lane, on the
30.8 shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;
30.9 (iii) avoiding a loading or unloading location that would require a pupil to cross a
30.10 road, or ensuring that the driver or an aide personally escort the pupil across the road if
30.11 it is not reasonably feasible to avoid such a location; and
30.12 (iv) placing the type III school bus in "park" during loading and unloading.
30.13 (d) A background check or background investigation of the operator has been
30.14 conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03
30.15 for school district employees; section 144.057 or chapter 245C for day care employees;
30.16 or section 171.321, subdivision 3, for all other persons operating a type A or type III
30.17 school bus under this subdivision.
30.18 (e) Operators shall submit to a physical examination as required by section 171.321,
30.19 subdivision 2.
30.20 (f) The operator's employer has adopted and implemented a policy that provides
30.21 for mandatory drug and alcohol testing of applicants for operator positions and current
30.22 operators, in accordance with section 181.951, subdivisions 2, 4, and 5.
30.23 (g) The operator's driver's license is verified annually by the entity that owns, leases,
30.24 or contracts for the school bus.
30.25 (h) A person who sustains a conviction, as defined under section 609.02, of violating
30.26 section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked
30.27 under sections 169A.50 to 169A.53 of the implied consent law, or who is convicted of or
30.28 has their driver's license revoked under a similar statute or ordinance of another state, is
30.29 precluded from operating a type III school bus for five years from the date of conviction.
30.30 (i) A person who has ever been convicted of a disqualifying offense as defined in
30.31 section 171.3215, subdivision 1, paragraph (c), may not operate a type III school bus
30.32 under this subdivision.
30.33 (j) A person who sustains a conviction, as defined under section 609.02, of a moving
30.34 offense in violation of chapter 169 within three years of the first of three other moving
30.35 offenses is precluded from operating a type III school bus for one year from the date of
30.36 the last conviction.

31.1 (k) An operator who sustains a conviction as described in paragraph (h), (i), or (j)
31.2 while employed by the entity that owns, leases, or contracts for the school bus, shall report
31.3 the conviction to the employer within ten days of the date of the conviction.

31.4 (l) Students riding the type III school bus must have training required under section
31.5 123B.90, subdivision 2.

31.6 (m) Documentation of meeting the requirements listed in this subdivision must
31.7 be maintained under separate file at the business location for each type III school bus
31.8 operator. The business manager, school board, governing body of a nonpublic school, or
31.9 any other entity that owns, leases, or contracts for the type III school bus operating under
31.10 this subdivision is responsible for maintaining these files for inspection.

31.11 (n) The type III school bus must bear a current certificate of inspection issued under
31.12 section 169.451.

31.13 (o) An operator employed by a school or school district, whose normal duties do
31.14 not include operating a type III school bus, who holds a class D driver's license without a
31.15 school bus endorsement, may operate a type III school bus and is exempt from paragraphs
31.16 (d), (e), (f), (g), and (k).

31.17 **EFFECTIVE DATE.** This section is effective September 1, 2008.

31.18 Sec. 47. Minnesota Statutes 2006, section 171.03, is amended to read:

31.19 **171.03 PERSONS EXEMPT.**

31.20 The following persons are exempt from license hereunder:

31.21 (a) A person in the employ or service of the United States federal government is
31.22 exempt while driving or operating a motor vehicle owned by or leased to the United
31.23 States federal government.

31.24 (b) A person in the employ or service of the United States federal government is
31.25 exempt from the requirement to possess a valid class A, class B, or class C commercial
31.26 driver's license while driving or operating for military purposes a commercial motor
31.27 vehicle ~~owned by or leased to~~ for the United States federal government if the person is:

31.28 (1) on active duty in the U. S. Coast Guard;

31.29 (2) on active duty in a branch of the U. S. Armed Forces, which includes the Army,
31.30 Air Force, Navy, and Marine Corps;

31.31 (3) a member of a reserve component of the U. S. Armed Forces; or

31.32 (4) on active duty in the Army National Guard or Air National Guard, which
31.33 includes (i) a member on full-time National Guard duty, (ii) a member undergoing

32.1 part-time National Guard training, and (iii) a National Guard military technician, who is a
32.2 civilian required to wear a military uniform.

32.3 The exemption provided under this paragraph does not apply to a U. S. Armed Forces
32.4 Reserve technician.

32.5 (c) Any person while driving or operating any farm tractor or implement of
32.6 husbandry temporarily on a highway is exempt. For purposes of this section, an all-terrain
32.7 vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined
32.8 in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797,
32.9 subdivision 7, are not implements of husbandry.

32.10 (d) A nonresident who is at least 15 years of age and who has in immediate
32.11 possession a valid driver's license issued to the nonresident in the home state or country
32.12 may operate a motor vehicle in this state only as a driver.

32.13 (e) A nonresident who has in immediate possession a valid commercial driver's
32.14 license issued by a state or jurisdiction in accordance with the standards of Code of
32.15 Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of
32.16 commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

32.17 (f) Any nonresident who is at least 18 years of age, whose home state or country does
32.18 not require the licensing of drivers may operate a motor vehicle as a driver, but only for a
32.19 period of not more than 90 days in any calendar year, if the motor vehicle so operated is
32.20 duly registered for the current calendar year in the home state or country of the nonresident.

32.21 (g) Any person who becomes a resident of the state of Minnesota and who has in
32.22 possession a valid driver's license issued to the person under and pursuant to the laws of
32.23 some other state or jurisdiction or by military authorities of the United States may operate
32.24 a motor vehicle as a driver, but only for a period of not more than 60 days after becoming
32.25 a resident of this state, without being required to have a Minnesota driver's license as
32.26 provided in this chapter.

32.27 (h) Any person who becomes a resident of the state of Minnesota and who has in
32.28 possession a valid commercial driver's license issued by another state or jurisdiction in
32.29 accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt
32.30 for not more than 30 days after becoming a resident of this state.

32.31 (i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

32.32 Sec. 48. Minnesota Statutes 2006, section 171.055, subdivision 1, is amended to read:

32.33 Subdivision 1. **Requirements for provisional license; misdemeanor.** (a) The
32.34 department may issue a provisional license, which must be distinctive in appearance
32.35 from a driver's license, to an applicant who:

33.1 (1) has reached the age of 16 years;

33.2 (2) during the six months immediately preceding the application for the provisional
33.3 license has possessed an instruction permit and has incurred (i) no convictions for a
33.4 violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (ii) no
33.5 convictions for a crash-related moving violation, and (iii) no convictions for a moving
33.6 violation that is not crash related;

33.7 (3) has successfully completed a course of driver education in accordance with
33.8 department rules, including but not limited to 30 hours of classroom instruction and six
33.9 hours of behind-the-wheel driving instruction; provided that, upon request of a parent
33.10 or guardian, an additional four hours of behind-the-wheel driving instruction must be
33.11 provided during the months of December, January, and February;

33.12 (4) completes the required application, which must be approved by (i) either parent
33.13 when both reside in the same household as the minor applicant or, if otherwise, then (ii)
33.14 the parent or spouse of the parent having custody or, in the event there is no court order
33.15 for custody, then (iii) the parent or spouse of the parent with whom the minor is living
33.16 or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor or,
33.17 in the event a person under the age of 18 has no living father, mother, or guardian, or is
33.18 married or otherwise legally emancipated, then (v) the applicant's adult spouse, adult close
33.19 family member, or adult employer; provided, that the approval required by this clause
33.20 contains a verification of the age of the applicant and the identity of the parent, guardian,
33.21 adult spouse, adult close family member, or adult employer;

33.22 (5) presents ~~certification~~ a logbook or schedule certified by the person who approves
33.23 the application under clause (4) ~~stating~~ attesting that the applicant has driven a motor
33.24 vehicle accompanied by and under the supervision of a licensed driver at least 21 years of
33.25 age, for no less than ~~30~~ 50 hours, at least ten of which were nighttime hours; and

33.26 (6) pays the fee required in section 171.06, subdivision 2.

33.27 (b) For purposes of this section, "moving violation" has the meaning given it in
33.28 section 171.04, subdivision 1.

33.29 (c) Notwithstanding paragraph (a), clause (2), the commissioner shall not issue a
33.30 provisional license to a person who has ever incurred a conviction for violation of section
33.31 169A.20, 169A.33, or 169A.35; a violation of a provision of sections 169A.50 to 169A.53;
33.32 or a crash-related moving violation, and at the time of the conviction the person did not
33.33 possess an instruction permit.

33.34 (d) If a person approving the application under paragraph (a), clause (4), falsifies an
33.35 entry, or knows an entry is false, in a logbook or schedule certified by the person under
33.36 paragraph (a), clause (5), that person is guilty of a misdemeanor.

34.1 Sec. 49. Minnesota Statutes 2006, section 171.055, subdivision 2, is amended to read:

34.2 Subd. 2. **Use of provisional license.** (a) A provisional license holder may operate a
34.3 motor vehicle only when every occupant under the age of 18 has a seat belt or child
34.4 passenger restraint system properly fastened. A person who violates this paragraph is
34.5 subject to a fine of \$25. A peace officer may not issue a citation for a violation of this
34.6 paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle
34.7 for a moving violation as defined in section 171.04. The commissioner shall not record a
34.8 violation of this paragraph on a person's driving record.

34.9 (b) A provisional license holder may not operate a vehicle while communicating
34.10 over, or otherwise operating, a cellular or wireless telephone, whether handheld or
34.11 hands free, when the vehicle is in motion. The provisional license holder may assert
34.12 as an affirmative defense that the violation was made for the sole purpose of obtaining
34.13 emergency assistance to prevent a crime about to be committed, or in the reasonable
34.14 belief that a person's life or safety was in danger. Violation of this paragraph is a petty
34.15 misdemeanor subject to section 169.89, subdivision 2.

34.16 (c) For the first six months of provisional licensure, a provisional license holder may
34.17 not operate a motor vehicle carrying more than one passenger under the age of 20 years
34.18 who is not a member of the holder's immediate family. For the second six months, the
34.19 holder of the license may not operate a motor vehicle that is carrying more than three
34.20 passengers who are under the age of 20 years and who are not members of the holder's
34.21 immediate family. This paragraph does not apply if the provisional license holder is
34.22 accompanied by a parent or guardian.

34.23 (d) For the first six months of provisional licensure, a provisional license holder who
34.24 is less than 18 years of age may operate a motor vehicle between the hours of midnight
34.25 and 5:00 a.m. only when the license holder is:

34.26 (1) driving between the license holder's home and place of employment;

34.27 (2) driving between the license holder's home and a school event for which the
34.28 school has not provided transportation;

34.29 (3) driving for employment purposes; or

34.30 (4) accompanied by a licensed driver or Minnesota identification card holder who is
34.31 at least 20 years of age.

34.32 (e) If the holder of a provisional license during the period of provisional licensing
34.33 incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections
34.34 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation, or (3) more
34.35 than one conviction for a moving violation that is not crash related, the person may not be

35.1 issued a driver's license until 12 consecutive months have expired since the date of the
35.2 conviction or until the person reaches the age of 18 years, whichever occurs first.

35.3 (f) For purposes of this section, "immediate family" means permanent members of
35.4 the same household who are related by blood, adoption, or marriage.

35.5 Sec. 50. Minnesota Statutes 2006, section 171.0701, is amended to read:

35.6 **171.0701 DRIVER EDUCATION; ~~ORGAN AND TISSUE DONATION~~**
35.7 **CONTENT.**

35.8 (a) The commissioner shall adopt rules requiring a minimum of 30 minutes of
35.9 instruction, beginning January 1, 2007, relating to organ and tissue donations and the
35.10 provisions of section 171.07, subdivision 5, for persons enrolled in driver education
35.11 programs offered at public schools, private schools, and commercial driver training
35.12 schools.

35.13 (b) The commissioner shall adopt rules for persons enrolled in driver education
35.14 programs offered at public schools, private schools, and commercial driver training
35.15 schools, requiring inclusion in the course of instruction, by January 1, 2009, a section on
35.16 awareness and safe interaction with commercial motor vehicle traffic. The rules must
35.17 require classroom instruction and behind-the-wheel training that includes, but is not
35.18 limited to, truck stopping distances, proper distances for following trucks, identification of
35.19 truck blind spots, and avoidance of driving in truck blind spots.

35.20 (c) The rules adopted by the commissioner under paragraph (b) are exempt from
35.21 the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except
35.22 that notwithstanding paragraph (b) of section 14.386, the rules continue in effect until
35.23 repealed or superseded by other law or rule.

35.24 Sec. 51. Minnesota Statutes 2006, section 171.13, is amended by adding a subdivision
35.25 to read:

35.26 Subd. 1j. **Driver's manual; interaction with commercial motor vehicle.** The
35.27 commissioner shall include in each edition of the driver's manual published by the
35.28 department after August 1, 2008, a section that includes information on awareness and
35.29 safe interaction with commercial motor vehicle traffic.

35.30 Sec. 52. Minnesota Statutes 2006, section 171.165, subdivision 2, is amended to read:

35.31 **Subd. 2. Implied consent revocation.** The commissioner shall disqualify a person
35.32 from operating commercial motor vehicles for a revocation under section 169A.52 or a
35.33 statute or ordinance from another state or jurisdiction in conformity with it, ~~in accordance~~

36.1 ~~with~~ for a period that is equivalent in duration under the driver disqualifications and
36.2 penalties in Code of Federal Regulations, title 49, part 383, subpart D, that pertain to a
36.3 conviction of being under the influence of alcohol or refusal to be tested.

36.4 Sec. 53. **[171.168] NOTIFICATION OF CONVICTION FOR VIOLATION BY**
36.5 **COMMERCIAL DRIVER.**

36.6 (a) Each person who operates a commercial motor vehicle, who has a commercial
36.7 driver's license issued by this state, and who is convicted of a criminal offense; of a serious
36.8 traffic violation, as defined in Code of Federal Regulations, title 49, section 383.5; or of
36.9 violating any other state or local law relating to motor vehicle traffic control, other than a
36.10 parking violation, in any type of motor vehicle in another state or jurisdiction, shall notify
36.11 the department's Division of Driver and Vehicle Services of the conviction. The person
36.12 shall notify the division within 30 days after the date that the person was convicted.

36.13 (b) Each person who operates a commercial motor vehicle, who has a commercial
36.14 driver's license issued by this state, and who is convicted of violating, in any type of
36.15 motor vehicle, a Minnesota state or local law relating to motor vehicle traffic control,
36.16 other than a parking violation, shall notify the person's employer of the conviction. The
36.17 person shall notify the person's employer within 30 days after the date that the person was
36.18 convicted. If the person is not currently employed, the person shall notify the division
36.19 according to paragraph (a).

36.20 (c) Notification to the division must be made in writing and contain the following
36.21 information:

36.22 (1) the driver's full name;

36.23 (2) the driver's license number;

36.24 (3) the date of conviction;

36.25 (4) the specific criminal or other offense; serious traffic violation, as defined in Code
36.26 of Federal Regulations, title 49, section 383.5; and any other violation of state or local
36.27 law relating to motor vehicle traffic control, for which the person was convicted and
36.28 any suspension, revocation, or cancellation of certain driving privileges that resulted
36.29 from the conviction;

36.30 (5) an indication whether the violation was in a commercial motor vehicle;

36.31 (6) the location of the offense; and

36.32 (7) the driver's signature.

36.33 Sec. 54. **[171.169] NOTIFICATION OF SUSPENSION OF LICENSE OF**
36.34 **COMMERCIAL DRIVER.**

37.1 Each employee, as defined in Code of Federal Regulations, title 49, section 383.5,
37.2 who has a Minnesota-issued driver's license suspended, revoked, or canceled by this
37.3 state or another state or jurisdiction, who loses the right to operate a commercial motor
37.4 vehicle in this state or another state or jurisdiction for any period, or who is disqualified
37.5 from operating a commercial motor vehicle for any period, shall notify the person's
37.6 employer of the suspension, revocation, cancellation, lost privilege, or disqualification.
37.7 The employee shall notify the employer before the end of the business day following
37.8 the day the employee received notice of the suspension, revocation, cancellation, lost
37.9 privilege, or disqualification.

37.10 Sec. 55. Minnesota Statutes 2006, section 171.321, subdivision 1, is amended to read:

37.11 Subdivision 1. **Endorsement.** No person shall drive a school bus when transporting
37.12 school children to or from school or upon a school-related trip or activity without having a
37.13 valid class A, class B, or class C driver's license with a school bus endorsement except
37.14 that a person possessing a valid driver's license but not a school bus endorsement may
37.15 drive a ~~vehicle with a seating capacity of ten or less persons used as a school bus but not~~
37.16 ~~outwardly equipped or identified as a school bus~~ type III vehicle.

37.17 Sec. 56. Minnesota Statutes 2006, section 174.02, subdivision 2, is amended to read:

37.18 Subd. 2. **Unclassified positions.** The commissioner may establish four positions in
37.19 the unclassified service at the deputy ~~and commissioner~~, assistant commissioner, assistant
37.20 to commissioner, or personal secretary levels. ~~No more than two of these positions shall~~
37.21 ~~be at the deputy commissioner level.~~ The commissioner shall appoint at least two deputy
37.22 commissioners, and one must serve as the chief engineer and be licensed as a professional
37.23 engineer under section 326.02.

37.24 Sec. 57. Minnesota Statutes 2006, section 174.03, subdivision 1, is amended to read:

37.25 Subdivision 1. **Statewide transportation plan; priorities; schedule of**
37.26 **expenditures.** In order to best meet the present and future transportation needs of
37.27 the public, to insure a strong state economy, to make most efficient use of public and
37.28 private funds, and to promote the more efficient use of energy and other resources for
37.29 transportation purposes, the commissioner shall:

37.30 (1) three months after notification that the department is ready to commence
37.31 operations and prior to the drafting of the statewide transportation plan, hold public
37.32 hearings as may be appropriate solely for the purpose of receiving suggestions for future
37.33 transportation alternatives and priorities for the state. The Metropolitan Council, regional

development commissions, and port authorities shall appear at the hearings and submit information concerning transportation-related planning undertaken and accomplished by these agencies. Other political subdivisions may appear and submit such information at the hearings. These hearings shall be completed no later than six months from the date of the commissioner's notification;

(2) develop, adopt, revise, and monitor a statewide transportation plan, taking into account the suggestions and information submitted at the public hearings held pursuant to clause (1). The plan shall incorporate all modes of transportation and provide for the interconnection and coordination of different modes of transportation. The commissioner shall evaluate alternative transportation programs and facilities proposed for inclusion in the plan in terms of economic costs and benefits, safety aspects, impact on present and planned land uses, environmental effects, energy efficiency, national transportation policies and priorities, and availability of federal and other financial assistance;

(3) based upon the statewide transportation plan, develop statewide transportation priorities and schedule authorized public capital improvements and other authorized public transportation expenditures pursuant to the priorities. As permitted by the federal surface transportation program, the commissioner shall prioritize for funding those transportation projects in the metropolitan area, as defined in section 473.121, subdivision 2, that are consistent with policies included in the Metropolitan Council's metropolitan development guide, transportation policy plan, and regional development framework, and that have been awarded funding through the federal surface transportation program;

(4) complete the plan and priorities required by this subdivision no later than July 1, 1978. Upon completion of the plan and priorities, the commissioner shall prepare and periodically revise, as necessary, the schedule of authorized public transportation expenditures. The plan, priorities, and schedule are exempt from the provisions of the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 58. Minnesota Statutes 2006, section 174.24, is amended by adding a subdivision to read:

Subd. 1a. Transit service needs implementation plan. The commissioner shall develop and implement a transit service needs implementation plan that contains a goal of meeting at least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of unmet transit service needs in greater Minnesota by July 1, 2025. The plan must include, but is not limited to, the following: an analysis of ridership and transit service needs throughout greater Minnesota; a calculation of unmet

39.1 needs; an assessment of the level and type of service required to meet unmet needs; an
39.2 analysis of costs and revenue options; and, a plan to reduce unmet transit service needs as
39.3 specified in this subdivision. The plan must specifically address special transportation
39.4 service ridership and needs. The commissioner may amend the plan as necessary, and
39.5 may use all or part of the 2001 greater Minnesota public transportation plan created by the
39.6 Minnesota Department of Transportation.

39.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

39.8 Sec. 59. **[174.247] ANNUAL TRANSIT REPORT.**

39.9 (a) By February 15 annually, the commissioner shall submit a report to the legislature
39.10 on transit services outside the metropolitan area. The Metropolitan Council and any
39.11 public transit system receiving assistance under section 174.24 shall provide assistance
39.12 in creating the report, as requested by the commissioner.

39.13 (b) The report must include, at a minimum, the following:

39.14 (1) a descriptive overview of public transit in Minnesota;

39.15 (2) a descriptive summary of funding sources and assistance programs;

39.16 (3) a summary of each public transit system receiving assistance under section
39.17 174.24;

39.18 (4) data that identifies use of volunteers in providing transit service;

39.19 (5) financial data that identifies operating and capital costs, and funding sources,
39.20 for each public transit system and for each transit system classification under section
39.21 174.24, subdivision 3b;

39.22 (6) a summary of progress with the transit service needs implementation plan under
39.23 section 174.24, subdivision 1a, including identification of any adjustments made to the
39.24 plan; and

39.25 (7) a calculation of the amounts of surplus or insufficient funds available for (i)
39.26 paying the state share of transit operating costs under section 174.24, subdivision 3b, and
39.27 (ii) following the transit service needs implementation plan.

39.28 **EFFECTIVE DATE.** This section is effective August 1, 2009.

39.29 Sec. 60. Minnesota Statutes 2006, section 221.011, is amended by adding a subdivision
39.30 to read:

39.31 Subd. 50. **Out-of-service order.** "Out-of-service order" has the meaning given it in
39.32 Code of Federal Regulations, title 49, section 383.5.

Sec. 61. Minnesota Statutes 2006, section 221.0314, subdivision 9a, is amended to read:

Subd. 9a. **Hours of service exemptions.** The federal regulations incorporated in subdivision 9 for maximum driving and on-duty time do not apply to drivers engaged in ~~the interstate or intrastate transportation of:~~

(1) the interstate or intrastate transportation of agricultural commodities or farm supplies, and the intrastate transportation of wholesale anhydrous ammonia, for agricultural purposes in Minnesota during the planting and harvesting seasons from March 15 to December 15 of each year; or

(2) the interstate or intrastate transportation of sugar beets during the harvesting season for sugar beets from September 1 to May 15 of each year;

if the transportation is limited to an area within a 100-air-mile radius from the source of the commodities or the distribution point for the farm supplies.

Sec. 62. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.151; (4) section 221.171; (5) section 221.141; (6) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or ~~(6)~~ (7) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 63. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations of section 221.021; 221.141; 221.151; or 221.171, or rules of the commissioner relating to motor carrier operations, insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

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

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

(1) the willfulness of the violation;

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

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

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

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

~~(d) The commissioner shall assess a penalty of not less than \$1,000 against a driver who is convicted of a violation of an out-of-service order. The commissioner shall assess a penalty of not more than \$10,000 against an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order.~~
in accordance with Code of Federal Regulations, title 49, section 383.53 against:

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

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

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

Sec. 64. Minnesota Statutes 2006, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. **Members, powers, and duties.** (a) The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who shall comprise the Minnesota State Patrol.

(b) The members of the Minnesota State Patrol shall have the power and authority:

(1) as peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways;

(2) at all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law;

(3) to serve search warrants related to criminal motor vehicle and traffic violations and arrest warrants, and legal documents anywhere in the state;

(4) to serve orders of the commissioner of public safety or the commissioner's duly authorized agents issued under the provisions of the Driver's License Law, the Safety Responsibility Act, or relating to authorized brake- and light-testing stations, anywhere

42.1 in the state and to take possession of any license, permit, or certificate ordered to be
42.2 surrendered;

42.3 (5) to inspect official brake and light adjusting stations;

42.4 (6) to make appearances anywhere within the state for the purpose of conducting
42.5 traffic safety educational programs and school bus clinics;

42.6 (7) to exercise upon all trunk highways the same powers with respect to the
42.7 enforcement of laws relating to crimes, as sheriffs and police officers;

42.8 (8) to cooperate, under instructions and rules of the commissioner of public
42.9 safety, with all sheriffs and other police officers anywhere in the state, provided that
42.10 said employees shall have no power or authority in connection with strikes or industrial
42.11 disputes;

42.12 (9) to assist and aid any peace officer whose life or safety is in jeopardy;

42.13 (10) as peace officers to provide security and protection to the governor, governor
42.14 elect, either or both houses of the legislature, and state buildings or property in the manner
42.15 and to the extent determined to be necessary after consultation with the governor, or a
42.16 designee. Pursuant to this clause, members of the State Patrol, acting as peace officers
42.17 have the same powers with respect to the enforcement of laws relating to crimes, as
42.18 sheriffs and police officers have within their respective jurisdictions;

42.19 (11) to inspect school buses anywhere in the state for the purposes of determining
42.20 compliance with vehicle equipment, pollution control, and registration requirements;

42.21 (12) as peace officers to make arrests for public offenses committed in their presence
42.22 anywhere within the state. Persons arrested for violations other than traffic violations
42.23 shall be referred forthwith to the appropriate local law enforcement agency for further
42.24 investigation or disposition; and

42.25 (13) to enforce the North American uniform out-of-service criteria and issue
42.26 out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

42.27 (c) The state may contract for State Patrol members to render the services described
42.28 in this section in excess of their regularly scheduled duty hours and patrol members
42.29 rendering such services shall be compensated in such amounts, manner and under such
42.30 conditions as the agreement provides.

42.31 (d) Employees thus employed and designated shall subscribe an oath.

42.32 Sec. 65. Minnesota Statutes 2006, section 299D.06, is amended to read:

42.33 **299D.06 PATROL EMPLOYEES WHO ARE NOT TROOPERS.**

42.34 (a) Department personnel must be classified employees assigned to the Division of
42.35 State Patrol if they are employed to enforce:

(1) laws relating to motor vehicle equipment; school bus equipment; drivers' licenses; motor vehicle registration; motor vehicle size and weight; motor carrier insurance, registration, and safety; and motor vehicle petroleum taxes;

(2) Pollution Control Agency rules relating to motor vehicle noise abatement; ~~and~~

(3) laws relating to directing the movement of vehicles; and

(4) the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(b) Employees engaged in these duties, while actually on the job during their working hours only, shall have power to:

(1) issue citations in lieu of arrest and continued detention; and

(2) prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, subdivision 3.

(c) They shall not be armed and, except as provided in this section, shall have none of the other powers and privileges reserved to peace officers including the power to enforce traffic laws and regulations.

Sec. 66. Minnesota Statutes 2006, section 473.1465, is amended by adding a subdivision to read:

Subd. 4. Special transportation service assessment. As part of its annual update to the performance evaluation report under section 473.13, subdivision 1a, the Metropolitan Council shall include an assessment of progress towards meeting transit goals for people with disabilities. The assessment must include, but is not limited to, the following: a description of proposed program enhancements; an assessment of progress; identification of the estimated total number of potential and actual riders who are disabled; an assessment of the level and type of service required to meet unmet ridership needs; and an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 67. Minnesota Statutes 2006, section 473.388, subdivision 2, is amended to read:

Subd. 2. Replacement service; eligibility. (a) The council may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

~~(a)~~ (1) is located in the metropolitan transit taxing district;

~~(b)~~ (2) is not served by the council bus service or is served only with council bus routes which begin or end within the applying city or town or combination thereof; and

44.1 ~~(e)~~ (3) has fewer than four scheduled runs of council bus service during off-peak
 44.2 hours ~~defined in section 473.408, subdivision 1.~~

44.3 (b) Eligible cities or towns or combinations thereof may apply on behalf of a transit
 44.4 operator with whom they propose to contract for service.

44.5 (c) The council may not provide assistance under this section to a statutory or home
 44.6 rule charter city or town unless the city or town;

44.7 ~~(i)~~ (1) was receiving assistance under Minnesota Statutes 1982, section 174.265 by
 44.8 July 1, 1984;

44.9 ~~(ii)~~ (2) had submitted an application for assistance under that section by July 1,
 44.10 1984; or

44.11 ~~(iii)~~ (3) had submitted a letter of intent to apply for assistance under that section by
 44.12 July 1, 1984, and ~~submits~~ submitted an application for assistance under this section by
 44.13 July 1, 1988. A statutory or home rule charter city or town has an additional 12-month
 44.14 extension if it notified the former regional transit board before July 1, 1988, that the city or
 44.15 town is in the process of completing a transportation evaluation study that includes an
 44.16 assessment of the local transit needs of the city or town.

44.17 (d) Nothing in this section prevents a local governmental unit from providing public
 44.18 transit service that extends outside of the metropolitan transit taxing district.

44.19 (e) For purposes of this subdivision, "off-peak hours" means the time from 9:00 a.m.
 44.20 to 3:30 p.m. and 6:30 p.m. until the last bus on Monday through Friday of each week and
 44.21 all day Saturday, Sunday, and holidays designated by the council.

44.22 Sec. 68. Laws 2002, chapter 393, section 85, is amended to read:

44.23 Sec. 85. **DAN PATCH COMMUTER RAIL LINE; PROHIBITIONS.**

44.24 Subdivision 1. **Definition.** For purposes of this section, "Dan Patch commuter rail
 44.25 line" means the commuter rail line between Northfield and Minneapolis identified in the
 44.26 metropolitan council's transit 2020 master plan as the Dan Patch line.

44.27 Subd. 2. **Metropolitan council; prohibitions.** The metropolitan council must not
 44.28 take any action or spend any money for ~~study, planning,~~ preliminary engineering, final
 44.29 design, or construction for the Dan Patch commuter rail line. ~~The council must remove~~
 44.30 ~~all references, other than references for historical purposes, to the Dan Patch commuter~~
 44.31 ~~rail line from any future revisions to the council's transportation development guide and~~
 44.32 ~~the council's regional transit master plan.~~

44.33 Subd. 3. **Commissioner of transportation.** The commissioner of transportation
 44.34 must not expend any money for ~~study, planning,~~ preliminary engineering, final design,
 44.35 or construction for the Dan Patch commuter rail line. ~~The commissioner must remove~~

45.1 ~~all references, other than references for historical purposes, to the Dan Patch commuter~~
45.2 ~~rail line from any future revisions to the state transportation plan and the commissioner's~~
45.3 ~~commuter rail system plan.~~

45.4 Subd. 4. **Regional rail authorities.** No regional rail authority may expend any
45.5 money for ~~study, planning,~~ preliminary engineering, final design, or construction for
45.6 the Dan Patch commuter rail line.

45.7 Sec. 69. **REPORT ON URBAN PARTNERSHIP AGREEMENT.**

45.8 By January 15, 2009, and on January 15 each year through 2014, the commissioner
45.9 of transportation, in conjunction with the Metropolitan Council, shall report to the chairs
45.10 and ranking minority members of the legislative committees with jurisdiction over
45.11 transportation concerning the status of the state's participation in the urban partnership
45.12 agreement. The report must:

45.13 (1) present the elements of congestion reduction strategies to be implemented under
45.14 the urban partnership agreement;

45.15 (2) summarize average daily traffic and congestion levels on affected roadways;

45.16 (3) summarize transit usage in affected corridors;

45.17 (4) identify the costs of participation and the sources of funding secured or to be
45.18 secured;

45.19 (5) include information on revenues and expenditures under the urban partnership
45.20 agreement;

45.21 (6) summarize any user fees collected on marked Interstate Highway 35W
45.22 high-occupancy vehicle and dynamic shoulder lanes;

45.23 (7) recommend any further legislative action necessary for the successful
45.24 implementation and operation of the urban partnership agreement; and

45.25 (8) starting with the January 15, 2011, report and in each report thereafter, evaluate
45.26 strategies used within the urban partnership agreement, and develop recommendations for:

45.27 (i) the Rush Line corridor transit way along marked Interstate Highway 35E and
45.28 marked Trunk Highway 35 from downtown St. Paul to Hinckley;

45.29 (ii) the Red Rock corridor transit way between Minneapolis and Hastings via St.
45.30 Paul; and

45.31 (iii) the marked Interstate Highway 94 corridor from downtown St. Paul to the
45.32 Minnesota-Wisconsin border.

45.33 Sec. 70. **CREDIT CARD PAYMENT STUDY; PROPOSAL.**

(a) By February 1, 2009, the commissioner of public safety shall submit a proposal to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance. The proposal must identify a method that allows the Department of Public Safety, its deputy registrars, and driver's license agents to collect by credit or debit card, motor vehicle registration taxes under Minnesota Statutes, section 168.013; motor vehicle certificates of title and related document fees under Minnesota Statutes, section 168A.29; motor vehicle sales tax under Minnesota Statutes, sections 297B.02 and 297B.025; and, driver's license and Minnesota identification card fees under Minnesota Statutes, section 171.06.

(b) The proposal must identify the total estimated statewide cost of the processing fees paid to either a vendor, financial institution, or credit card company. The proposal must consider options to finance the acceptance fees through either (1) state fee increases necessary to finance (i) the costs of credit and debit card processing fees paid to a processing vendor, (ii) the administrative costs of the department to implement the acceptance of credit and debit cards, including hardware and software costs of the department, its deputy registrars, and agents, and (iii) associated ongoing administrative cost increases, or (2) an agreement with a vendor that allows the addition of a convenience fee to each transaction to be paid directly by customers who choose to utilize credit or debit cards.

(c) The commissioner of public safety, with the assistance of the commissioners of finance and administration, shall develop a request for proposals from vendors, to be issued by January 1, 2010, to implement the acceptance of credit and debit payments by the Department of Public Safety, its deputy registrars, and agents. The department shall consult deputy registrars and driver's license agents in developing the request for proposals.

Sec. 71. ENGINE BRAKES; REGULATION BY MINNEAPOLIS.

Notwithstanding any other law or charter provision, the governing body of the city of Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 107, also known as marked Interstate Highway 394, beginning at the South Penn Avenue interchange in the city of Minneapolis and thence extending easterly to the terminus of marked Interstate Highway 394. Upon notification to the commissioner of transportation by the city of Minneapolis, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

47.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.2 Sec. 72. **ROAD CONSTRUCTION BIDS; CITY ORDINANCE.**

47.3 Notwithstanding any other law, the commissioner of transportation shall accept the
47.4 low bid amount among any cancelled bids for a cooperative road construction project
47.5 involving a city of the first class located outside of the metropolitan area, as defined in
47.6 Minnesota Statutes, section 473.121, subdivision 2, if:

47.7 (1) the bid cancellation occurred after July 1, 2007, as a result of a city ordinance
47.8 relating to green space setback;

47.9 (2) the city changes the ordinance before October 1, 2008, in such a manner that a bid
47.10 cancellation would not occur were the same bids submitted under the revised ordinance.

47.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.12 Sec. 73. **LITTLE CROW TRANSIT WAY.**

47.13 The commissioner of transportation and the Metropolitan Council shall reference in
47.14 planning or study documents any commuter rail or other transit service proposal along
47.15 or near marked Trunk Highway 12 between Willmar and downtown Minneapolis as the
47.16 Little Crow transit way.

47.17 Sec. 74. **HIGHWAY CHANGES; REPEALERS; EFFECTIVE DATES;**
47.18 **REVISOR INSTRUCTIONS.**

47.19 Subdivision 1. **Legislative Route No. 295 removed.** (a) Minnesota Statutes 2006,
47.20 section 161.115, subdivision 226, is repealed effective the day after the commissioner of
47.21 transportation receives a copy of the agreement between the commissioner and the city of
47.22 St. Peter to transfer jurisdiction of Legislative Route No. 295 to the city of St. Peter and
47.23 notifies the revisor of statutes under paragraph (b).

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

47.27 Subd. 2. **Legislative Route No. 335 removed.** (a) Minnesota Statutes 2006,
47.28 section 161.115, subdivision 266, is repealed effective the day after the commissioner of
47.29 transportation receives a copy of the agreement between the commissioner and the city of
47.30 St. Peter to transfer jurisdiction of Legislative Route No. 335 to the city of St. Peter and
47.31 notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor in writing that the conditions required to transfer the route are satisfied.

Sec. 75. **JOEY'S LAW.**

The amendment by this act to Minnesota Statutes 2006, section 171.07, subdivision 1, may be cited as "Joey's Law."

Sec. 76. **RIGHT-OF-WAY TRANSFERRED TO STATE RAIL BANK.**

(a) Notwithstanding Minnesota Statutes, section 16B.281, 16B.282, 92.45, or any other law to the contrary, the trunk highway right-of-way described in paragraph (b) is hereby transferred to the state rail bank under Minnesota Statutes, section 222.63, being a certain parcel of land located in the county of Otter Tail, state of Minnesota, being more particularly described in paragraph (b).

(b) All of Tracts A, B, and C described below:

TRACT A

That part of Government Lot 1 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, lying Northeasterly of the former Southwesterly right-of-way line of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company);

TRACT B

A strip of land 150 feet in width, being 75 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the SW1/4NW1/4 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the South line to the West line of said SW1/4NW1/4; together with that part of said SW1/4NW1/4 adjoining and Westerly of the above described strip and Easterly of the Easterly right-of-way line of said railroad company as located prior to 1888;

TRACT C

A strip of land 100 feet in width, being 50 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the E1/2NE1/4 of Section 11, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the East to the North line of said E1/2NE1/4;

49.1 together with that part of Tract D described below:

49.2 TRACT D

49.3 A strip of land 100 feet in width, being 50 feet on each side of the former
49.4 centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis
49.5 and Manitoba Railway Company) across the E1/2 of Section 2, Township 132
49.6 North, Range 43 West, Otter Tail County, Minnesota;

49.7 which lies Southeasterly of a line run parallel with and distant 135 feet Southeasterly of
49.8 Line 1 described below:

49.9 LINE 1.

49.10 Beginning at a point on the North and South Quarter line of said Section 2,
49.11 distant 1,060.11 feet North of the South Quarter corner thereof; thence run
49.12 Northeasterly at an angle of 72°36'15" (measured from North to East) from said
49.13 North and South Quarter line for 1,600 feet and there terminating;

49.14 together with all right of access, being the right of ingress to and egress from that part of
49.15 Tract D hereinbefore described, not acquired herein, to the above described strip.

49.16 Sec. 77. **REVISOR'S INSTRUCTION.**

49.17 The revisor of statutes shall change the terms "type III school bus," "type III bus," and
49.18 "type III Head Start bus" to "type III vehicle," and the terms "type III school buses," "type
49.19 III buses," and "type III Head Start buses" to "type III vehicles," in Minnesota Statutes,
49.20 chapters 169, 169A, and 171, and in Minnesota Rules, parts 7470.1400 and 7470.1500.

49.21 Sec. 78. **REPEALER.**

49.22 Minnesota Statutes 2006, sections 168B.087, subdivision 2; and 169.145, are
49.23 repealed.

49.24 **ARTICLE 2**

49.25 **RAILROAD WALKWAY SAFETY ACT**

49.26 Section 1. **[219.372] WALKWAYS BY TRACK; GENERAL REQUIREMENTS;**
49.27 **DEFINITIONS.**

49.28 (a) Walkways may be surfaced with asphalt, concrete, planking, grating, native
49.29 material, crushed material, or similar or other nonrevenue material. When crushed
49.30 material is used, 100 percent of the material must be capable of passing through a
49.31 1-1/2-inch square sieve opening and 90 - 100 percent of the material must be capable
49.32 of passing through a one-inch square sieve opening; provided however, a de minimus

50.1 variation is not a violation of this paragraph when the rail carrier has made a good faith
50.2 effort to comply with the percentage requirements. Smaller crushed material may be used
50.3 where drainage and durability issues do not arise. Material that is three-fourths inch or
50.4 less must conform with standards set forth by the American Railway Engineering and
50.5 Maintenance of Way Association for switching lead tracks.

50.6 (b) Walkways must have a uniform surface and must be maintained in a safe
50.7 condition without compromising track drainage.

50.8 (c) Cross slopes for walkways must not exceed one inch of elevation for each eight
50.9 inches of horizontal length in any direction.

50.10 (d) Walkways must be a minimum width of two feet.

50.11 (e) Walkways within the scope of sections 219.372 to 219.378 must be kept free of
50.12 spilled oil, sand, posts, rocks, and other hazards or obstructions.

50.13 **Sec. 2. [219.373] NEW YARD TRACKS.**

50.14 (a) Rail carriers shall provide walkways adjacent to those portions of yard tracks
50.15 constructed after July 1, 2008, where rail carrier employees frequently work on the ground
50.16 performing switching activities.

50.17 (b) For the purpose of this section, "frequently" means occurring at least five days
50.18 per week, one shift per day.

50.19 **Sec. 3. [219.374] OTHER TRACKS.**

50.20 (a) Walkways in the following segments of track must be constructed with materials
50.21 set forth in section 219.372 at walkways by main and secondary track switches and
50.22 turnouts, walkways by siding track train inspection points, walkways by tracks where
50.23 relief train crews frequently board or deboard trains en route, walkways by industry track
50.24 turnouts and spotting areas, and walkways by main track within two miles in either
50.25 direction of a track-side train detector, with a total walkway not less than 500 feet on
50.26 both sides of track.

50.27 (b) Walkways by switch stands may have a wider apron from base of switch stand
50.28 area and must be maintained in a safe condition without compromising track drainage.

50.29 (c) When the commissioner of transportation finds, after notice and hearing, that rail
50.30 carrier employees who frequently work adjacent to a portion of track performing switching
50.31 activities are exposed to safety hazards due to the lack of a walkway or to the condition of
50.32 a walkway constructed before July 1, 2008, the commissioner shall order the rail carrier
50.33 to construct a walkway adjacent to a portion of track where employees are performing

51.1 switching activities, or require a rail carrier to modify an existing walkway in conformance
51.2 with the standards set forth in section 219.373 within a reasonable period of time.

51.3 (d) For purposes of this section, "frequently" means at least five days per week, one
51.4 shift per day, or any other period deemed "frequently" by the commissioner to warrant
51.5 an order pursuant to this section.

51.6 Sec. 4. **[219.375] EXCEPTIONS TO COMPLIANCE.**

51.7 Rail carriers are excused from complying with sections 219.372 to 219.378 during
51.8 maintenance activities or any period of heavy rain or snow, derailments, rock and earth
51.9 slides, washouts, and similar weather or seismic conditions, and during a reasonable
51.10 period afterwards to allow a return to compliance.

51.11 Sec. 5. **[219.376] WAIVERS.**

51.12 A rail carrier may petition the commissioner of transportation for a waiver of any
51.13 provision of sections 219.372 to 219.378 pursuant to section 218.041 or other applicable
51.14 statute.

51.15 Sec. 6. **[219.377] COMPLAINTS; ENFORCEMENT.**

51.16 (a) A formal complaint of an alleged violation of sections 219.372 to 219.378 may
51.17 not be filed until the filing party has attempted to address the alleged violations with the
51.18 rail carrier. Any complaint of an alleged violation of sections 219.372 to 219.378 must
51.19 contain a written statement that the filing party has made a reasonable, good faith attempt
51.20 to address the alleged violation with the rail carrier.

51.21 (b) All formal complaints filed with the commissioner of transportation must be
51.22 resolved pursuant to procedures set forth in section 218.041 or other applicable statute.

51.23 Sec. 7. **[219.378] WALKWAY EXEMPTIONS.**

51.24 (a) Sections 219.372, paragraphs (a), (c), and (d); 219.373; and 219.374, paragraphs
51.25 (a) and (b), do not apply to track placed in revenue service before the effective date of
51.26 this section until the date and time track and supporting structure are repaired, replaced,
51.27 resurfaced, or as otherwise ordered by the commissioner of transportation pursuant to
51.28 section 219.374 to eliminate an unsafe or hazardous condition.

51.29 (b) A small business that owns or operates any track in this state is exempt from
51.30 sections 219.372, paragraphs (a), (c), and (d); 219.373; 219.374, paragraphs (a) and (b);
51.31 219.375; and 219.376. On determining after notice and hearing that exempting a small
51.32 business that owns or operates any track in this state pursuant to paragraph (a) poses

52.1 an unreasonable threat or substantial harm to the public safety, the commissioner of
 52.2 transportation shall order that business to eliminate any unsafe walkway condition.

52.3 (c) As used in this section, "small business" either has the meaning given in section
 52.4 645.445 or is a class three carrier as classified by the Federal Railroad Administration.

52.5 Sec. 8. **SHORT TITLE.**

52.6 Sections 1 to 7 may be cited as the "Railroad Walkway Safety Act."

52.7 Sec. 9. **EFFECTIVE DATE.**

52.8 This article is effective July 1, 2008.

52.9 **ARTICLE 3**

52.10 **CHAPTER 152 CHANGES**

52.11 Section 1. Minnesota Statutes 2006, section 161.081, subdivision 3, as amended by
 52.12 Laws 2008, chapter 152, article 6, section 4, is amended to read:

52.13 Subd. 3. **Flexible highway account; ~~turnback~~ other accounts.** (a) The flexible
 52.14 highway account is created in the state treasury. ~~Money in The account~~ commissioner
 52.15 ~~shall be used:~~

52.16 (1) annually transfer in fiscal years 2009 and year 2010, 100 percent of the excess
 52.17 sum, as calculated in paragraph (i), and in fiscal years 2011 and thereafter, 50 percent of
 52.18 the excess sum, as calculated in paragraph (i), for counties in the metropolitan area, as
 52.19 defined in section 473.121, subdivision 4, but for the purposes of the calculation cities of
 52.20 the first class will be excluded in the metropolitan area; and to the metropolitan routes
 52.21 of regional significance account under subdivision 4; and

52.22 (2) ~~of expend~~ the amount available in the flexible highway account less the amount,
 52.23 after the transfer under clause (1), as determined by the commissioner under this section
 52.24 subdivision, for:

52.25 (i) restoration of former trunk highways that have reverted to counties or to statutory
 52.26 or home rule charter cities, or for trunk highways that will be restored and subsequently
 52.27 turned back by agreement between the commissioner and the local road authority;

52.28 (ii) safety improvements on county highways, municipal highways, streets, or town
 52.29 roads; and

52.30 (iii) statewide routes of regional significance.

52.31 (b) For purposes of this subdivision, "restoration" means the level of effort required
 52.32 to improve the route that will be turned back to an acceptable condition as determined

53.1 by agreement made between the commissioner and the county or city before the route
53.2 is turned back.

53.3 (c) The commissioner shall review the need for funds to restore highways that have
53.4 been or will be turned back. The commissioner shall determine, on a biennial basis, the
53.5 percentage of funds in the flexible highway account to be distributed to each district,
53.6 and within each district the percentage to be used for each of the purposes specified in
53.7 paragraph (a), clause (2). Money in the account may be used for safety improvements
53.8 and routes of regional significance only after money is set aside to restore the identified
53.9 turnbacks. The commissioner shall make these determinations only after meeting and
53.10 holding discussions with committees selected by the statewide associations of both county
53.11 commissioners and municipal officials. The commissioner shall, to the extent feasible,
53.12 annually allocate 50 percent of the funds in the flexible highway account under paragraph
53.13 (a), clause (2), to the department's metropolitan district, and 50 percent to districts in
53.14 greater Minnesota.

53.15 (d) Money that will be used for the restoration of trunk highways that have reverted
53.16 or that will revert to cities must be deposited in the municipal turnback account, which is
53.17 created in the state treasury.

53.18 (e) Money that will be used for the restoration of trunk highways that have reverted
53.19 or that will revert to counties must be deposited in the county turnback account, which is
53.20 created in the state treasury.

53.21 (f) Money that will be used for safety improvements must be deposited in the
53.22 highway safety improvement account, which is created in the state treasury to be used
53.23 as grants to statutory or home rule charter cities, towns, and counties to assist in paying
53.24 the costs of constructing or reconstructing city streets, county highways, or town roads
53.25 to reduce crashes, deaths, injuries, and property damage.

53.26 (g) Money that will be used for statewide routes of regional significance must be
53.27 deposited in the statewide routes of regional significance account, which is created in
53.28 the state treasury, and used as grants to statutory or home rule charter cities, towns, and
53.29 counties to assist in paying the costs of constructing or reconstructing city streets, county
53.30 highways, or town roads with statewide or regional significance that have not been fully
53.31 funded through other state, federal, or local funding sources.

53.32 (h) As part of each biennial budget submission to the legislature, the commissioner
53.33 shall describe how the money in the flexible highway account will be apportioned among
53.34 the county turnback account, the municipal turnback account, the trunk highway fund for
53.35 routes turned back to local governments by agreement, the highway safety improvement
53.36 account, and the statewide routes of regional significance account.

~~(i) The excess sum is calculated as the sum of revenue within the flexible highway account:~~

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the flexible highway account in fiscal year 2007.~~

~~(j) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (i), clause (2), is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2006, section 161.081, is amended by adding a subdivision to read:

Subd. 4. Metropolitan routes of regional significance account. (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "metropolitan area" has the meaning given in section 473.121, subdivision 4; and

(2) "population" has the meaning given in section 477A.011, subdivision 3, except that it excludes the three most populous cities in the metropolitan area.

(b) The metropolitan routes of regional significance account is created in the state treasury. Funds in the account are for allocation to metropolitan counties to assist in paying the costs of construction, reconstruction, or maintenance of county highways with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(c) The commissioner shall allocate funds in the account to counties in the metropolitan area so that each county receives an amount proportional to the percentage that its population, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this subdivision.

55.1 **EFFECTIVE DATE.** This section is effective July 1, 2009.

55.2 Sec. 3. Minnesota Statutes 2006, section 161.081, is amended by adding a subdivision
55.3 to read:

55.4 **Subd. 5. Excess sum.** (a) For purposes of this section, "excess sum" means an
55.5 amount calculated by the commissioner as the sum of revenue within the flexible highway
55.6 account:

55.7 (1) attributed to that portion of the gasoline excise tax rate under section 296A.07,
55.8 subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates
55.9 in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon
55.10 for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section
55.11 296A.08, subdivision 2;

55.12 (2) attributed to a change in the passenger vehicle registration tax under section
55.13 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal
55.14 year 2008, multiplied by (ii) the annual average United States Consumer Price Index for
55.15 the calendar year previous to the current calendar year, divided by the annual average
55.16 United States Consumer Price Index for calendar year 2007; and

55.17 (3) attributed to that portion of the motor vehicle sales tax revenue in excess of the
55.18 percentage allocated to the flexible highway account in fiscal year 2007.

55.19 (b) For purposes of this subdivision, the United States Consumer Price Index
55.20 identified in paragraph (a), clause (2), is for all urban consumers, United States city
55.21 average, as determined by the United States Department of Labor.

55.22 **EFFECTIVE DATE.** This section is effective July 1, 2009.

55.23 Sec. 4. Laws 2008, chapter 152, article 2, section 1, is amended to read:

55.24 Section 1. **[296A.083] DEBT SERVICE SURCHARGE.**

55.25 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
55.26 the meanings given them:

55.27 (1) "debt service" means the amount of principal and interest in each fiscal year
55.28 attributable to the trunk highway bonds authorized in this article; and

55.29 (2) "surcharge" means the rate imposed under this section on gasoline taxed under
55.30 section 296A.07, subdivision 3, clause (3), and includes a proportional rate for each type
55.31 of fuel taxed under sections 296A.07, subdivision 3, clauses (1) and (2), and 296A.08,
55.32 subdivision 2.

55.33 Subd. 2. **Debt service forecast.** On June 30, 2008, and each March 1 thereafter, the
55.34 commissioner of finance shall report to the commissioner of revenue on trunk highway

debt service. The report must include the annual amount of revenue from the surcharge previously deposited in the trunk highway fund, and a forecast of the total and annual amounts necessary to pay the remaining debt service.

Subd. 3. **Surcharge rate.** (a) By July 16, 2008, and each April 1 thereafter, the commissioner of revenue shall calculate and publish a surcharge as provided in paragraphs (b) and (c). The surcharge is imposed from August 1, 2008, through June 30, 2009, and each new surcharge thereafter is imposed the following July 1 through June 30.

(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as specified in the following surcharge rate schedule.

Surcharge Rate Schedule

Fiscal Year	Rate (in cents per gallon)
2009	0.5
2010	2.1
2011	2.5
2012	3.0

(c) For fiscal year 2013 and thereafter, the commissioner shall set the surcharge at the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge is rounded to the nearest 0.1 cent.

Subd. 4. **Surcharge administration.** The audit, assessment, appeal, collection, enforcement, penalty, interest, refund, and administrative provisions that apply to the taxes in this chapter apply to the surcharge imposed by this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Laws 2008, chapter 152, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. **State Road Construction** 1,717,694,000

(a) For the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and

57.1 relocation expenses. This appropriation is in
57.2 the following amounts:

57.3 (1) \$417,694,000 in fiscal year 2009, and the
57.4 commissioner may use up to \$71,008,000 of
57.5 this amount for program delivery;

57.6 (2) \$500,000,000 in fiscal year 2010, and the
57.7 commissioner may use up to \$85,000,000 of
57.8 this amount for program delivery; and

57.9 (3) \$100,000,000 in each fiscal year for
57.10 fiscal years 2011 through 2018, and the
57.11 commissioner may use up to \$17,000,000 of
57.12 the amount in each fiscal year for program
57.13 delivery.

57.14 (b) Of the amount in fiscal year 2009,
57.15 \$40,000,000 is for construction of
57.16 interchanges and intersections involving
57.17 a trunk highway, where the interchange
57.18 or intersection will promote economic
57.19 development, increase employment, relieve
57.20 growing traffic congestion, and promote
57.21 traffic safety. The amount under this
57.22 paragraph must be allocated 50 percent to
57.23 the department's metropolitan district, and 50
57.24 percent to districts in greater Minnesota.

57.25 (c) Of the amount in fiscal years 2009
57.26 and 2010, the commissioner shall use
57.27 \$300,000,000 each year for predesign,
57.28 design, preliminary engineering,
57.29 right-of-way acquisition, reasonable
57.30 approaches, construction, reconstruction,
57.31 and maintenance of bridges in the trunk
57.32 highway bridge improvement program under
57.33 Minnesota Statutes, section 165.14.

57.34 (d) Of the total appropriation under this
57.35 subdivision, the commissioner shall use at

58.1 least \$50,000,000 for accelerating transit
58.2 facility improvements on or adjacent to trunk
58.3 highways.

58.4 (e) Of the total appropriation under this
58.5 subdivision provided to the Department
58.6 of Transportation's district 7, excluding
58.7 the amount allocated to district 7 under
58.8 paragraph (c), the commissioner shall first
58.9 expend funds as necessary to accelerate all
58.10 projects that (1) are on a trunk highway
58.11 classified as a medium priority interregional
58.12 corridor, (2) are included in the district's
58.13 long-range transportation plan, but are
58.14 not included in the state transportation
58.15 improvement program or the ten-year
58.16 highway work plan, and (3) expand capacity
58.17 from a two-lane highway to a freeway
58.18 or expressway, as defined in Minnesota
58.19 Statutes, section 160.02, subdivision 19. The
58.20 commissioner shall establish as the highest
58.21 priority under this paragraph any project that
58.22 currently has a final environmental impact
58.23 statement completed. The requirement
58.24 under this paragraph does not change the
58.25 department's funding allocation process
58.26 or the amount otherwise allocated to each
58.27 transportation district.

58.28 (f) Notwithstanding Minnesota Statutes,
58.29 section 16A.642, the appropriation under this
58.30 subdivision does not expire and may not be
58.31 canceled.

58.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

58.33 Sec. 6. Laws 2008, chapter 152, article 3, section 1, the effective date, is amended to
58.34 read:

59.1 **EFFECTIVE DATE.** This section is effective the day following final enactment,
59.2 and applies to any annual additional tax for a registration period that starts on or after
59.3 September 1, 2008, ~~through August 31, 2009.~~

59.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

59.5 Sec. 7. Laws 2008, chapter 152, article 3, section 6, is amended to read:

59.6 Sec. 6. **SPECIAL FUEL EXCISE TAX; TRANSITION PROVISION.**

59.7 Notwithstanding Minnesota Statutes, section 296A.08, subdivision 2, before October
59.8 1, 2008, the special fuel excise tax is imposed at the following rates:

59.9 (a) Liquefied petroleum gas or propane is taxed at the rate of 16.5 cents per gallon.

59.10 (b) Liquefied natural gas is taxed at the rate of 13.2 cents per gallon.

59.11 (c) Compressed natural gas is taxed at the rate of ~~\$1.1913~~ \$1.913 per thousand
59.12 cubic feet; or 22 cents per gasoline equivalent. For purposes of this paragraph, "gasoline
59.13 equivalent," as defined by the National Conference on Weights and Measures, is 5.66
59.14 pounds of gas.

59.15 (d) All other special fuel is taxed at the same rate as the gasoline excise tax as
59.16 specified in section 4. The tax is payable in the form and manner prescribed by the
59.17 commissioner.

59.18 **EFFECTIVE DATE.** This section is effective ~~on the first day of the month~~
59.19 ~~following 21 days after the date of enactment~~ April 1, 2008, and applies to all gasoline,
59.20 undyed diesel fuel, and special fuel in distributor storage on that date. This section
59.21 expires October 1, 2008.

59.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

59.23 Sec. 8. Laws 2008, chapter 152, article 3, section 8, is amended to read:

59.24 Sec. 8. Minnesota Statutes 2006, section 297A.815, is amended by adding a
59.25 subdivision to read:

59.26 Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this
59.27 subdivision, "net revenue" means an amount equal to:

59.28 (1) the revenues, including interest and penalties, collected under section 297A.815,
59.29 during the fiscal year; less

59.30 (2) the estimated reduction in individual income tax receipts and the estimated
59.31 amount of refunds paid out under section 290.06, subdivision 34, for the fiscal year.

(b) On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the revenues and subtraction under paragraph (a) for the current fiscal year.

(c) On or after July 1 of the subsequent fiscal year, the commissioner of finance shall transfer the net revenue as estimated in paragraph (b) from the general fund, as follows:

(1) 50 percent to the greater Minnesota transit account; and

~~(2) 50 percent to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause~~
metropolitan routes of regional significance account under section 161.081, subdivision 4.

(d) For fiscal years 2010 and 2011, the amount under paragraph (a), clause (1), must be calculated using the following percentages of the total revenues:

(1) for fiscal year 2010, 83.75 percent; and

(2) for fiscal year 2011, 93.75 percent.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 9. Laws 2008, chapter 152, article 6, section 7, is amended to read:

Sec. 7. **[398A.10] TRANSIT FUNDING.**

Subdivision 1. **Capital costs.** A county regional railroad authority may not contribute more than ten percent of the capital costs of a light rail transit or commuter rail project. This subdivision does not apply to a light rail transit project for which a county regional railroad authority commits to providing an amount greater than ten percent of the capital costs, if the commitment (1) is made before October 2, 2008, (2) is made as part of an application for federal funds, and (3) is adjusted by the county regional railroad authority to meet the requirements of this subdivision as part of the next scheduled federal funding application for the project.

Subd. 2. **Operating and maintenance costs.** A county regional railroad authority may not contribute any funds to pay the operating and maintenance costs for a light rail transit or commuter rail project. If a county regional railroad authority is contributing funds for operating and maintenance costs on a light rail transit or commuter rail project on the date of the enactment of this act, the authority may continue to contribute funds for these purposes until January 1, 2009.

61.1 Subd. 3. **Application.** This section only applies if a county has imposed the
61.2 metropolitan transportation sales and use tax under section 297A.992.

61.3 **EFFECTIVE DATE.** ~~This section is effective the day after the metropolitan~~
61.4 ~~transportation area sales tax is imposed under Minnesota Statutes, section 297A.992,~~
61.5 ~~subdivision 2.~~ This section is effective July 1, 2008.

61.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

61.7 ARTICLE 4

61.8 HOUSEHOLD GOODS MOTOR CARRIERS

61.9 Section 1. Minnesota Statutes 2006, section 221.011, subdivision 23, is amended to
61.10 read:

61.11 Subd. 23. **Household goods.** "Household goods" means personal effects and
61.12 property used or to be used ~~by the owner in the owner's~~ in a dwelling when the effects
61.13 and property are a part of the equipment or supply of the dwelling; furniture, fixtures,
61.14 ~~equipment and property of business places and institutions, public or private, when a part~~
61.15 ~~of the stock, equipment, supplies or property of such establishments.~~

61.16 Sec. 2. Minnesota Statutes 2006, section 221.011, is amended by adding a subdivision
61.17 to read:

61.18 Subd. 23a. **Household goods motor carrier.** (a) "Household goods motor carrier"
61.19 means, in general, a motor carrier that, in the ordinary course of its business of providing
61.20 transportation of household goods within the state of Minnesota, offers some or all of
61.21 the following additional services:

61.22 (1) binding and nonbinding estimates;

61.23 (2) inventorying;

61.24 (3) protective packing and unpacking of individual items at personal dwellings; or

61.25 (4) loading and unloading at personal dwellings.

61.26 (b) A household goods motor carrier does not include any motor carrier providing
61.27 transportation of household goods in containers or trailers that are entirely loaded and
61.28 unloaded by an individual other than an employee or agent of the motor carrier.

61.29 Sec. 3. **[221.0253] HOUSEHOLD GOODS MOTOR CARRIERS;**
61.30 **REGISTRATION.**

62.1 Subdivision 1. **Registration required.** No person may operate as a household
62.2 goods motor carrier unless the person has been issued a certificate of registration by
62.3 the commissioner.

62.4 Subd. 2. **Registration statement.** A person who wishes to operate as a household
62.5 goods motor carrier shall file a complete and accurate registration statement with the
62.6 commissioner. A registration statement must be on a form provided by the commissioner
62.7 and include:

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

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

62.11 (3) the registrant's United States Department of Transportation number;

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

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

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

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

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

62.22 (9) the summary of the registrant's arbitration program, described in Code of Federal
62.23 Regulations, title 49, section 375.211, paragraph (b), as required under section 221.0255.

62.24 Subd. 3. **Signature required.** A registration statement must be signed by a corporate
62.25 officer, general partner, limited liability company board member, or sole proprietor.

62.26 Subd. 4. **Registration fee.** An initial fee of \$200 must be paid at the time the
62.27 registration statement is filed with the commissioner. The commissioner shall deposit all
62.28 revenues received under this subdivision in the trunk highway fund.

62.29 Subd. 5. **Certificate of registration; issuance.** (a) The commissioner shall issue
62.30 a certificate of registration to a registrant who does not have an unsatisfactory safety
62.31 rating with the state or United States Department of Transportation and who has met
62.32 the requirements of this section.

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

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

Subd. 6. **Duration.** A certificate of registration is not assignable or transferable, and is valid until it is suspended, revoked, or canceled.

Subd. 7. **Obligation to keep information current.** A registrant shall notify the commissioner in writing within 30 days of any change in the information required under subdivision 2.

Subd. 8. **Suspension and cancellation of registration.** (a) The commissioner shall suspend or cancel the registration of a household goods motor carrier who fails to file with the commissioner or maintain the insurance or bond required under section 221.141.

(b) The commissioner shall immediately suspend the registration of a household goods motor carrier who receives an unsatisfactory safety rating. Within 30 days of receiving a written request from the household goods motor carrier, the commissioner shall conduct one follow-up compliance audit to determine if the safety rating of the motor carrier should be changed, or if the suspension should be rescinded. The commissioner may conduct additional compliance reviews.

(c) The commissioner may suspend or cancel the registration of a household goods motor carrier who fails to maintain an arbitration program or comply with a binding arbitration decision under section 221.0255, subdivision 1.

(d) The commissioner shall follow the procedures under section 221.185 for any suspension or cancellation under this subdivision.

(e) A person may not operate as a household goods motor carrier while the person's registration is suspended or canceled.

Sec. 4. **[221.0255] HOUSEHOLD GOODS MOTOR CARRIERS; CONSUMER PROTECTION.**

Subdivision 1. **Incorporation of federal regulations.** (a) Code of Federal Regulations, title 49, section 375.103, is incorporated by reference, except that "household goods" and "household goods motor carrier" have the meanings given in section 221.011. Code of Federal Regulations, title 49, sections 375.209, 375.211, 375.401, 375.403, 375.405, 375.407, 375.501, 375.503, 375.505, 375.603, and 375.703, are incorporated by reference and apply to household goods motor carriers. Cross-references within the incorporated sections to other sections or paragraphs not incorporated in this subdivision are not incorporated by reference.

(b) Sections 572.08 to 572.30 apply to the arbitration program required under Code of Federal Regulations, title 49, section 375.211.

(c) For an original estimate provided under Code of Federal Regulations, title 49, sections 375.401, paragraph (a); 375.403, paragraph (a)(1); and 375.405, paragraph (b)(1),

64.1 a household goods motor carrier may provide an original binding or nonbinding estimate
64.2 to the shipper without a physical survey, if the estimate is based on (1) services to be
64.3 provided and (2) the anticipated number of hours and number of employees required.

64.4 (d) For a revised estimate provided under Code of Federal Regulations, title 49,
64.5 sections 375.403, paragraph (a)(6) and 375.405, paragraph (b)(7), a household goods
64.6 motor carrier may provide a revised binding or nonbinding estimate to the shipper based
64.7 on revised services to be provided and the revised anticipated number of hours and
64.8 number of employees required.

64.9 (e) A household goods motor carrier's total charges to the shipper under paragraphs
64.10 (c) and (d) must meet the requirements under this subdivision.

64.11 Subd. 2. **Impracticable operations.** (a) For purposes of this subdivision,
64.12 "impracticable operations" means additional services required by a household goods
64.13 motor carrier (1) when operating conditions and reasonably unforeseen events make
64.14 it physically impossible for the carrier to perform pickup or delivery with the carrier's
64.15 normally assigned road-haul equipment, (2) when the use of smaller equipment or
64.16 additional labor to complete pickup or delivery of a shipment is required, or (3) when
64.17 additional hours of service are required because of reasonably unpredictable changes in
64.18 weather or road conditions.

64.19 (b) A household goods motor carrier may require payment of additional charges up
64.20 to 15 percent above a binding or nonbinding estimate for impracticable operations. The
64.21 specific services or unforeseeable conditions considered to be impracticable operations
64.22 by the carrier must be defined in writing in the carrier's binding or nonbinding estimate
64.23 provided to the consumer. A household goods motor carrier is not required to file the
64.24 contractual definitions of "impracticable operations" with the commissioner.

64.25 Subd. 3. **Cause of action.** A person who is injured by a household goods motor
64.26 carrier due to a violation under subdivision 1, and who is unable to obtain relief due to the
64.27 failure of the motor carrier to maintain an arbitration program or comply with a binding
64.28 arbitration decision under subdivision 1, has a cause of action against the household goods
64.29 motor carrier. Damages may be awarded to the consumer for economic loss, including
64.30 damage, destruction, and loss of use of personal property, and reasonable attorney fees.

64.31 Subd. 4. **Advertising.** A household goods motor carrier must include in all
64.32 advertisements for all services the following elements:

64.33 (1) the name or trade name of the household goods motor carrier, as it appears on
64.34 the certificate of registration issued by the commissioner under section 221.0253, or the
64.35 name or trade name of the motor carrier under whose operating authority the advertised
64.36 service will originate; and

65.1 (2) the United States Department of Transportation number of the household goods
65.2 motor carrier.

65.3 Sec. 5. **HOUSEHOLD GOODS MOTOR CARRIERS; EXPIRATION AND**
65.4 **CONVERSION OF PERMITS.**

65.5 Subdivision 1. **Expiration of permits.** Any permit issued by the commissioner
65.6 before August 1, 2008, that authorizes for-hire transportation of household goods in
65.7 Minnesota is valid through December 31, 2008.

65.8 Subd. 2. **Conversion to registration.** A holder of a permit that expires under
65.9 subdivision 1 who wishes to continue as a household goods motor carrier shall meet the
65.10 requirements of section 221.0253 before January 1, 2009. Prior to January 1, 2009, the
65.11 commissioner shall not charge the registration fee under section 221.0253, subdivision
65.12 4, for a permit holder to obtain a registration certificate.

65.13 **ARTICLE 5**

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

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

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

65.22 Minnesota Base Rate Schedule

65.23 Scheduled taxes include five percent
65.24 surtax provided for in subdivision 14

65.25	TOTAL GROSS WEIGHT					
65.26		IN POUNDS				TAX
65.27	A	0	-	1,500	\$	15
65.28	B	1,501	-	3,000		20
65.29	C	3,001	-	4,500		25
65.30	D	4,501	-	6,000		35
65.31	E	6,001	-	9,000		45
65.32	F	9,001	-	12,000		70
65.33	G	12,001	-	15,000		105
65.34	H	15,001	-	18,000		145
65.35	I	18,001	-	21,000		190

66.1	J	21,001	-	26,000	270
66.2	K	26,001	-	33,000	360
66.3	L	33,001	-	39,000	475
66.4	M	39,001	-	45,000	595
66.5	N	45,001	-	51,000	715
66.6	O	51,001	-	57,000	865
66.7	P	57,001	-	63,000	1015
66.8	Q	63,001	-	69,000	1185
66.9	R	69,001	-	73,280	1325
66.10	S	73,281	-	78,000	1595
66.11	T	78,001	-	81,000	1760

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

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

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

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

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

66.28 (2) operated by an interstate carrier registered under section 221.60, or by an
 66.29 authorized local cartage carrier or other carrier receiving operating authority under chapter
 66.30 221, and operated solely within a zone exempt from regulation pursuant to United States
 66.31 Code, title 49, section 13506.

66.32 (f) The license plates issued for commercial zone vehicles shall be plainly marked.
 66.33 A person operating a commercial zone vehicle outside the zone or area in which its
 66.34 operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor,
 66.35 shall have the registration of the vehicle as a commercial zone vehicle revoked by the
 66.36 registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax
 66.37 prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded
 66.38 during the balance of the registration year.

67.1 (g) On commercial zone trucks the tax shall be based on the total gross weight of the
67.2 vehicle and during each of the first eight years of vehicle life shall be 75 percent of the
67.3 Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the
67.4 tax shall be 50 percent of the Minnesota base rate schedule.

67.5 (h) On trucks, truck-tractors and semitrailer combinations, except those defined
67.6 as farm trucks and farm combinations, and except for those commercial zone vehicles
67.7 specifically provided for in this subdivision, the tax for each of the first eight years of
67.8 vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule,
67.9 and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the
67.10 Minnesota base rate prescribed by this subdivision.

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

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

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

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

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

67.21 (3) issuing permits.

67.22 (b) For purposes of paragraph (a), clause (2), the commissioner may authorize
67.23 common carriers by rail ~~and motor carriers for hire~~ to file tariffs of rates, fares, and
67.24 charges individually or by group. Carriers participating in group ratemaking have the free
67.25 and unrestrained right to take independent action either before or after a determination
67.26 arrived at through that procedure.

67.27 Sec. 3. Minnesota Statutes 2006, section 174.64, subdivision 4, is amended to read:

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

67.33 (b) ~~Upon receiving a petition filed pursuant to section 221.121, subdivision 1, or~~
67.34 ~~221.151, the commissioner shall give notice of the filing of the petition to representatives~~

68.1 ~~of associations or other interested groups or persons who have registered their names~~
68.2 ~~with the commissioner for that purpose and to whomever the commissioner deems to be~~
68.3 ~~interested in the petition. The commissioner may grant or deny the request of the petition~~
68.4 ~~30 days after notice of the filing has been fully given.~~

68.5 (e) If the commissioner receives a written objection and notice of intent to appear at
68.6 a hearing to object to the petition from any person within 20 days of the notice having been
68.7 fully given, the request of the petition must be granted or denied only after a contested
68.8 case hearing has been conducted on the petition, unless the objection is withdrawn before
68.9 the hearing. The commissioner may elect to hold a contested case hearing if no objections
68.10 to the petition are received. If a timely objection is not received, or if received and
68.11 withdrawn, and the request of the petition is denied without hearing, the petitioner may
68.12 request within 30 days of receiving the notice of denial, and must be granted, a contested
68.13 case hearing on the petition.

68.14 Sec. 4. Minnesota Statutes 2006, section 174.66, is amended to read:

68.15 **174.66 CONTINUATION OF CARRIER RULES.**

68.16 (a) Orders and directives in force, issued, or promulgated under authority of chapters
68.17 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
68.18 modified, or superseded by duly authorized orders or directives of the commissioner of
68.19 transportation. To the extent allowed under federal law or regulation, rules adopted under
68.20 authority of the following sections are transferred to the commissioner of transportation
68.21 and continue in force and effect until repealed, modified, or superseded by duly authorized
68.22 rules of the commissioner:

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

68.25 (2) section 219.40; and

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

68.28 ~~(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest~~
68.29 ~~in a corporation holding authority to operate as a permit carrier as prescribed in section~~
68.30 ~~221.151, subdivision 1;~~

68.31 ~~(5) rules relating to rates, charges, and practices under section 221.161, subdivision~~
68.32 ~~4; and~~

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

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

69.3 Sec. 5. Minnesota Statutes 2006, section 221.011, subdivision 8, is amended to read:

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

69.8 Sec. 6. Minnesota Statutes 2006, section 221.025, is amended to read:

69.9 **221.025 EXEMPTIONS.**

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

69.12 (1) the transportation of students to or from school or school activities in a school
69.13 bus inspected and certified under section 169.451 and the transportation of children or
69.14 parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected
69.15 and certified under section 169.451;

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

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

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

69.25 (5) the transportation of grain samples under conditions prescribed by the
69.26 commissioner;

69.27 (6) the delivery of agricultural lime;

69.28 (7) the transportation of dirt and sod within an area having a 50-mile radius from the
69.29 home post office of the person performing the transportation;

69.30 (8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix,
69.31 concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or
69.32 crushed rock to or from the point of loading or a place of gathering within an area having a
69.33 50-mile radius from that person's home post office or a 50-mile radius from the site of
69.34 construction or maintenance of public roads and streets;

(9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(10) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(11) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities ~~except as provided in section 221.296~~;

(12) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(13) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 100-mile radius from the person's home post office and the carrier may transport other commodities within the 100-mile radius if the destination of each haul is a farm;

(14) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less; and

(15) the transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 7. Minnesota Statutes 2006, section 221.026, is amended to read:

221.026 MOTOR CARRIER OF PROPERTY; EXEMPTIONS.

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

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

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

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

71.11 Subd. 5. **Local regulation.** Section 221.091 applies to registration statements
71.12 under this section to the same extent that it applies to certificates and permits issued by
71.13 the ~~board~~ commissioner.

71.14 Sec. 8. Minnesota Statutes 2006, section 221.031, subdivision 1, is amended to read:

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

71.17 (b) The commissioner shall prescribe rules for the operation of motor carriers,
71.18 including their facilities; accounts; leasing of vehicles and drivers; service; safe operation
71.19 of vehicles; equipment, parts, and accessories; hours of service of drivers; driver
71.20 qualifications; accident reporting; identification of vehicles; installation of safety devices;
71.21 inspection, repair, and maintenance; and proper automatic speed regulators if, in the
71.22 opinion of the commissioner, there is a need for the rules.

71.23 (c) The commissioner shall direct the repair and reconstruction or replacement of
71.24 an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require
71.25 the construction and maintenance or furnishing of suitable and proper freight terminals,
71.26 passenger depots, waiting rooms, and accommodations or shelters in a city in this state or
71.27 at a point on the highway traversed ~~which~~ that the commissioner, after investigation by the
71.28 department, ~~may deem~~ deems just and proper for the protection of passengers or property.

71.29 ~~(d) The commissioner shall require holders of household goods mover permits to file~~
71.30 ~~annual and other reports including annual accounts of motor carriers, schedules of rates~~
71.31 ~~and charges, or other data by motor carriers, regulate motor carriers in matters affecting~~
71.32 ~~the relationship between them and the traveling and shipping public, and prescribe other~~
71.33 ~~rules as may be necessary to carry out the provisions of this chapter.~~

71.34 ~~(e) A motor carrier subject to paragraph (d) but having gross revenues from for-hire~~
71.35 ~~transportation in a calendar year of less than \$200,000 may, at the discretion of the~~

72.1 ~~commissioner, be exempted from the filing of an annual report, if instead the motor carrier~~
 72.2 ~~files an abbreviated annual report, in a form as may be prescribed by the commissioner,~~
 72.3 ~~attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous~~
 72.4 ~~calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes~~
 72.5 ~~of this subdivision only, do not include gross revenues received from the operation of~~
 72.6 ~~school buses as defined in section 169.01, subdivision 6.~~

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

72.8 Sec. 9. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

72.9 Subdivision 1. **Order.** The commissioner may issue an order requiring violations
 72.10 to be corrected and administratively assessing monetary penalties for a violation of (1)
 72.11 section 221.021; (2) section 221.0255; (3) section 221.033, subdivision 2b; ~~(3) section~~
 72.12 ~~221.151; (4) section 221.171; (5) (4) section 221.141; or (6) (5) rules of the commissioner~~
 72.13 relating to the transportation of hazardous waste, motor carrier operations, or insurance, ~~or~~
 72.14 ~~tariffs and accounting~~. An order must be issued as provided in this section.

72.15 Sec. 10. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

72.16 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an
 72.17 order assessing a penalty of up to \$5,000 for all violations of ~~section 221.021; 221.141;~~
 72.18 ~~221.151; or 221.171, or rules of the commissioner relating to motor carrier operations,~~
 72.19 ~~insurance, or tariffs and accounting~~, identified under subdivision 1, except for rules of the
 72.20 commissioner relating to the transportation of hazardous waste or as otherwise provided
 72.21 under paragraph (b), identified during a single inspection, audit, or investigation.

72.22 (b) The commissioner may issue an order assessing a penalty up to a maximum of
 72.23 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
 72.24 inspection or audit.

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

72.26 (1) the willfulness of the violation;

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

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

72.32 (4) the economic benefit gained by the person by allowing or committing the
 72.33 violation; and

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

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

Sec. 11. Minnesota Statutes 2006, section 221.131, is amended to read:

221.131 CARRIER ANNUAL VEHICLE REGISTRATION; FEES;
IDENTIFICATION CARD FOR MOTOR CARRIERS OF PASSENGERS.

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

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

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

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2006, section 221.132, is amended to read:

221.132 PREPAID TEMPORARY VEHICLE IDENTIFICATION CARD.

For special or extraordinary events, the commissioner may issue a prepaid temporary vehicle identification card to a ~~permit or~~ certificate holder subject to section 221.131, subdivision 2 ~~or 3~~, for a fee of \$5 per card. The card must be preprinted by the commissioner with the carrier's name, address, and ~~permit or~~ certificate number. The card may be used by the motor carrier to whom it is issued to identify a vehicle temporarily added to its fleet, if the vehicle has evidence of being inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within the previous 12 months, or has a current

Commercial Vehicle Safety Alliance decal. The card must be executed by the motor carrier by dating and signing the card and describing the vehicle in which it will be carried. The identification card is valid for a period of ten days from the date the motor carrier places on the card when the card is executed. The card must be used within one year from the date of issuance by the commissioner. The card may not be used if the ~~permit or~~ certificate is not in full force and effect. The card may not be transferred. The commissioner may not refund the cost of unused prepaid temporary vehicle identification cards.

Sec. 13. Minnesota Statutes 2006, section 221.141, subdivision 4, is amended to read:

Subd. 4. **Household goods ~~mover~~ motor carrier.** A household goods ~~mover~~ motor carrier shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the ~~household goods mover permit~~ certificate of registration was issued and whose operations are being insured.

Sec. 14. Minnesota Statutes 2006, section 221.185, is amended to read:

221.185 OPERATING AUTHORITY; SUSPENSION, CANCELLATION.

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

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

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

(3) pay an administrative penalty under section 221.036.

Subd. 2. **Notice of suspension.** (a) Failure to file and maintain insurance, ~~renew permits under section 221.131,~~ or to pay annual vehicle registration fees ~~or renew permits under section 221.131 or 221.296,~~ or to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, or ~~221.153, subdivision 3,~~ suspends a motor carrier's ~~permit or~~ certificate two days after the

76.1 commissioner sends notice of the suspension by certified mail, return receipt requested, to
76.2 the last known address of the motor carrier.

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

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

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

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

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

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

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

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

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

76.27 Subd. 4. **Grounds for cancellation.** Except as provided in subdivision 5a, failure to
76.28 comply with the requirements of ~~sections~~ section 221.141 and ~~221.296~~ relating to bonds
76.29 and insurance, ~~221.131 relating to permit renewal,~~ 221.131 or ~~221.296~~ relating to annual
76.30 vehicle registration or ~~permit renewal,~~ 221.121, ~~subdivision 6g,~~ or 221.153, ~~subdivision 3,~~
76.31 ~~relating to protective agent or private detective licensure,~~ or to request a hearing within 45
76.32 days of the date of suspension, is deemed an abandonment of the motor carrier's ~~permit or~~
76.33 certificate and the ~~permit or~~ certificate must be canceled by the commissioner.

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

77.1 Subd. 5a. **Reinstatement after cancellation.** A motor carrier whose permit or
77.2 certificate is canceled for failure to comply with ~~sections~~ section 221.141 and 221.296
77.3 relating to bonds and insurance may ask the commissioner to review the cancellation.
77.4 Upon review, the commissioner shall rescind the cancellation if (1) the motor carrier
77.5 presents evidence showing that before the effective date of the notice of cancellation
77.6 issued under subdivision 5, the motor carrier had obtained and paid for the insurance
77.7 required by ~~sections~~ section 221.141 and 221.296, and the rules of the commissioner, and
77.8 (2) the commissioner is satisfied that the motor carrier has complied with the requirements
77.9 of ~~sections~~ section 221.141 and 221.296 and the rules of the commissioner.

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

77.14 Sec. 15. Minnesota Statutes 2006, section 221.221, subdivision 3, is amended to read:

77.15 Subd. 3. **Delegated powers.** Representatives of the department to whom authority
77.16 has been delegated by the commissioner for the purpose of enforcing sections 169.781 to
77.17 169.783 ~~and 221.171~~ and the rules, orders, or directives of the commissioner adopted or
77.18 issued under those sections, and for no other purpose, ~~shall~~ have the powers conferred
77.19 by law upon police officers. The representatives of the department have the power to
77.20 inspect records, logs, freight bills, bills of lading, or other documents, which may provide
77.21 evidence to determine compliance with sections 169.781 to 169.783 ~~and 221.171~~.

77.22 Sec. 16. Minnesota Statutes 2006, section 221.291, subdivision 4, is amended to read:

77.23 Subd. 4. **Operating without registration or permit.** A person who operates a
77.24 motor carrier without first registering under section 221.0251 ~~or, 221.0252, or who~~
77.25 ~~operates as a household goods mover without having obtained the necessary permit,~~
77.26 221.0253 is guilty of a misdemeanor, and upon conviction ~~shall~~ must be fined not less than
77.27 the maximum fine ~~which~~ that may be imposed for a misdemeanor for each violation.

77.28 Sec. 17. **REVISION OF RULES.**

77.29 The commissioner of transportation shall repeal, amend, and adopt revisions to rules
77.30 relating to household goods contained in Minnesota Rules, chapters 7800 and 7805, and
77.31 may use the expedited process for adopting rules under Minnesota Statutes, section 14.389.

77.32 Sec. 18. **INSTRUCTION TO REVISOR.**

78.1 The revisor of statutes shall change the phrase "sections 221.011 to 221.296" to
78.2 read "this chapter" where found in Minnesota Statutes, sections 221.021, subdivision
78.3 1; 221.022; and 221.091, subdivision 1.

78.4 Sec. 19. **REPEALER.**

78.5 Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions 24, 25, 28, 29,
78.6 38, 39, 41, 44, and 45; 221.0252, subdivision 7; 221.072; 221.111; 221.121; 221.122;
78.7 221.123; 221.131, subdivisions 2a and 3; 221.141, subdivision 6; 221.151; 221.152;
78.8 221.153, subdivisions 1 and 2; 221.161; 221.171; 221.172, subdivisions 3, 4, 5, 6, 7, and
78.9 8; and 221.296, subdivisions 3, 4, 5, 6, 7, and 8, are repealed.

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ARTICLE 1	TRANSPORTATION POLICY	Page.Ln 2.1
ARTICLE 2	RAILROAD WALKWAY SAFETY ACT	Page.Ln 49.24
ARTICLE 3	CHAPTER 152 CHANGES	Page.Ln 52.9
ARTICLE 4	HOUSEHOLD GOODS MOTOR CARRIERS	Page.Ln 61.7
	REPEAL OF OBSOLETE PERMITS AND CONFORMING	
ARTICLE 5	CHANGES	Page.Ln 65.13

168B.087 OPERATOR'S DEFICIENCY CLAIM; CONSENT TO SALE.

Subd. 2. **Implied consent to sale.** A registered owner who fails to claim the impounded vehicle within the applicable time period allowed under section 168B.051 is deemed to waive any right to reclaim the vehicle and consents to the disposal or sale of the vehicle and its contents and transfer of title.

169.145 IMPLEMENT OF HUSBANDRY; SPEED, BRAKES.

No person may:

- (1) drive or tow an implement of husbandry that exceeds 6,000 pounds registered gross weight or gross vehicle weight and is not equipped with brakes; or
- (2) tow a vehicle registered as a farm trailer that exceeds 6,000 pounds registered gross weight or gross vehicle weight and is not equipped with brakes, at a speed in excess of 30 miles per hour.

174.65 CARRIER HEARINGS AND APPEALS.

Subdivision 1. **Hearings.** All hearings related to common carriers by rail or motor carriers and required to be conducted by the commissioner of transportation must be conducted pursuant to sections 14.001 to 14.69.

Subd. 2. **Appeals.** An appeal from an order of the commissioner must be in accordance with chapter 14.

221.011 DEFINITIONS.

Subd. 24. **Livestock carrier.** "Livestock carrier" means any person whose primary business is the transportation of livestock.

Subd. 25. **Courier services carrier.** (a) "Courier services carrier" means any person who transports packages and articles except household goods by either:

- (1) expedited delivery, which means that:
 - (i) shipments are made by single axle straight truck or smaller vehicle;
 - (ii) shipments are picked up within one hour of the shipper's initial request for service;
 - (iii) after shipments are picked up, delivery is made within six hours; and
 - (iv) there is no cross docking or overnight sorting of shipments; or
- (2) overnight small package delivery, which means that:
 - (i) the transportation originates and ends on the same calendar day or the following business day;
 - (ii) no package or article of a shipment exceeds 100 pounds per item;
 - (iii) the aggregate of shipments received by a single consignee from a single consignor on a single calendar day does not exceed 400 pounds;
 - (iv) a vehicle at the point of delivery does not exceed 15,000 pounds gross vehicle weight;
 - (v) there may be cross docking or overnight sorting of shipments; and
 - (vi) operations of the courier services carrier may resemble operations of other types of carriers defined in this section.

(b) Courier service carriers must maintain accurate records of each shipment picked up and delivered, including (1) time of the request for service, (2) time of the pickup, (3) time of delivery, (4) weight of the shipment, and (5) the specific vehicle or vehicles used to transport the shipment.

Subd. 28. **Local cartage carrier.** "Local cartage carrier" means a person engaged in transporting property or freight, other than household goods and petroleum products, for hire when the movement is entirely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by subdivision 17.

Subd. 29. **Hazardous material.** "Hazardous material" means a substance or material determined by the United States secretary of transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce, and so designated by the United States secretary of transportation.

Subd. 38. **Class I carrier.** "Class I carrier" means a person who has been issued a certificate of registration.

Subd. 39. **Class II carrier.** "Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.

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Subd. 41. **Temperature-controlled commodity.** "Temperature-controlled commodity" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature-controlled vehicles.

Subd. 44. **Armored carrier service.** "Armored carrier service" means transportation of property in armored vehicles protected by at least one armed person other than the driver.

Subd. 45. **Armored carrier.** "Armored carrier" is a motor carrier engaged in providing armored carrier service.

221.0252 PASSENGER CARRIER; REGISTRATION, EXEMPTIONS.

Subd. 7. **Exemptions from regulation.** Notwithstanding any other law, motor carriers of passengers are exempt from sections 221.121; 221.122; 221.123; 221.151; 221.161; and 221.171.

221.072 CLASS I CARRIER.

Subdivision 1. **Authority.** The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.

Subd. 2. **Exceptions.** This section does not apply to any carrier listed in section 221.111, clauses (3) to (10).

Subd. 3. **Operation.** A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.

221.111 PERMIT TO OTHER MOTOR CARRIER.

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits.

221.121 PERMIT: APPROVAL PROCESS; OPERATING AUTHORITY; FEE.

Subdivision 1. **Petition; notice and hearing; scope.** (a) A person desiring to operate as a permit carrier, except as provided in subdivision 5 or section 221.296, shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the commissioner may require. Letters of shipper support must be filed with the petition. No person shall knowingly make a false or misleading statement in a petition.

(b) The commissioner, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291.

(c) A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner governing permit carriers.

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(d) No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the commissioner from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Subd. 2. **Temporary permit.** The commissioner may grant a temporary permit, ex parte, valid for a period not exceeding 180 days, upon a showing that there is an immediate and urgent need for the proposed service, pending prompt action by the permit holder to follow regular procedure in securing the permit, and that immediate and urgent authority from the commissioner is in the public interest. A copy of the order granting the temporary permit, ex parte, must be mailed immediately to interested parties.

Subd. 3. **Cooperative association.** The commissioner may issue a permit as a contract carrier to cooperative associations whose memberships are limited to bona fide farmers' cooperative associations, that transport and do business only with and for the associations, and who transport merely as an incident to other business. The commissioner may not limit the number of hauling contracts of a cooperative association.

Subd. 4. **Extensions of authority.** The commissioner may grant extensions of authority ex parte after due notice of a petition has been published. A party desiring to protest the petition shall file its protest by mail or in person within 20 days of the date of notice, except that no protest may be filed against an application submitted under subdivision 6f. If a timely filed protest is received, the matter must be placed on the calendar for hearing. If a timely protest is not received, the commissioner may issue its order ex parte.

Subd. 5. **Livestock carrier.** A person desiring to operate as a livestock carrier shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the commissioner may require.

The commissioner shall issue the permit upon compliance with laws and rules relating to the permit unless it finds that petitioner's vehicles do not meet the safety standards prescribed by the commissioner or that petitioner is not fit and able to conduct the proposed operations. A permit issued under Laws 1983, chapter 371, must be renewed upon compliance with the provisions of Laws 1959, chapter 376, and the rules of the commissioner. A livestock carrier, on the return trip after hauling livestock and delivering the livestock, may transport other commodities or property to the carrier's headquarters area. The livestock carrier may transport supplies and equipment used in farm work from the carrier's headquarters area to any point in the state or from any point in the state to the headquarters area.

Subd. 6. **Courier services carrier.** A person desiring to operate as a courier services carrier shall follow the procedure established in subdivision 1 and shall be granted a permit as a courier services carrier if the person meets the criteria established in subdivision 1. The commissioner shall not deny a permit for a courier services carrier on the grounds that operations performed by the applicant resemble operations of other types of carriers defined in section 221.011.

Subd. 6a. **Household goods carrier.** A person who desires to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request a household goods mover permit. The permit granted by the commissioner to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as a household goods mover. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have a household goods mover permit.

Subd. 6c. **Class II carrier.** (a) A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal.

(b) For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2) "terminal" does not include (i) a

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terminal used exclusively for handling bulk commodities, and (ii) a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Subd. 6d. **Temperature-controlled commodities carrier.** A person who desires to hold out or to operate as a carrier of temperature-controlled commodities shall follow the procedure established in subdivision 1 and shall specifically request a temperature-controlled commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of temperature-controlled commodities.

Subd. 6e. **Class II-T permit.** A holder of a class II-T permit may transport truckload freight to and from any point named in the permit without restriction as to routes, schedules, or frequency of service.

Subd. 6f. **Class II-L permit.** (a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.

(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from points within the geographic area the carrier was authorized to serve on December 31, 1992, that were not listed in the carrier's permit. Service by a carrier under this paragraph may be provided no more often than on 24 days in a 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit to add points within the geographic area the carrier was authorized to serve on December 31, 1992. The carrier must submit to the commissioner an application on a form provided by the commissioner; the application must name the points proposed to be served and include evidence of need for the proposed service. Evidence of need may consist of a letter from a consignor attesting to need for the proposed service and intent to use the proposed service. The commissioner shall transmit the application to the board. The board shall publish notice of an approved application in the board's weekly calendar. Failure by the board to deny the application within ten days after receipt of the application from the commissioner constitutes approval of the application.

Subd. 7. **Fee.** The petitioner shall pay a fee of \$150 into the treasury of the state of Minnesota for each kind of permit or extension of authority for which a petition is filed under this section.

221.122 ORDER GRANTING PERMIT OR CERTIFICATE; COMPLIANCE.

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

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

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

(2) file and maintain insurance or bond as required by sections 221.141 and 221.296 and rules of the commissioner; and

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

Subd. 2. **Time extension.** The commissioner may extend the time for compliance with the requirements of subdivision 1. The person to whom the order was issued shall request the extension in writing and shall state the reasons for requesting the extension. The commissioner may not grant an extension of more than 45 days.

Subd. 3. **Failure to comply.** An order of the commissioner granting a certificate or permit to operate as a motor carrier takes effect on the date of compliance with the requirements of subdivision 1. Failure of the person to whom the order was issued to comply with the requirements of subdivision 1 within 45 days from the service date of the order, or within the extended time for compliance if an extension was granted by the commissioner, makes the order null and void upon the expiration of the time for compliance.

221.123 EFFECT OF DEATH OF PERMIT HOLDER.

This section governs the transfer of a permit in the event of the death of the permit holder. Within one year after the transfer of a permit of a deceased permit holder by the deceased permit holder's personal representative, or within one year after the date of a decree or order issued by

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the district court transferring the permit of a deceased permit holder, the distributee, as defined in section 524.1-201, who received the permit shall apply to the commissioner to have the permit transferred under the provisions of section 221.151, subdivision 2.

If an application to transfer the permit is not filed within the time prescribed above, the permit is revoked and the commissioner shall so notify the person who had received the permit.

221.131 CARRIER VEHICLE REGISTRATION; FEES, IDENTIFICATION CARD.

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

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

221.141 INSURANCE OR BOND.

Subd. 6. **Armored carrier.** An armored carrier must maintain in effect cargo insurance, cargo bond, or moneys and securities insurance coverage in a minimum amount of \$300,000 per incident and must file, or its insurer must file, with the commissioner a cargo certificate of insurance, cargo bond, or certificate of moneys and securities coverage. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J described in Code of Federal Regulations, title 49, part 1023. A certificate of moneys and securities coverage must conform to either Form H or Form J with such variances as the commissioner may allow to accommodate industry practice. Form H and Form J are incorporated by reference. The cargo certificate of insurance, cargo bond, or certificate of moneys and securities coverage must be issued in the full and correct name of the person, corporation, or partnership to whom the armored carrier permit was issued and whose operations are being insured.

221.151 PERMIT ASSIGNABLE OR TRANSFERABLE.

Subdivision 1. **Petition.** Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the commissioner approving the transfer or assignment after notice and hearing.

The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the commissioner, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing, and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the commissioner may make an order granting the sale or lease. Provided, however, that the commissioner shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the commissioner under this chapter or to a common carrier by rail.

Provided further that the commissioner shall make no order approving the sale or lease of a permit if the commissioner finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill

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involved. The commissioner shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale. The commissioner shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the commissioner within 30 days of the agreement.

If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the commissioner within 30 days after the sale, assignment, pledge, or other transfer of stock. The commissioner shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Subd. 2. Ex parte transfer. (a) The commissioner shall allow a bona fide transfer of a permit, except a livestock carrier permit, ex parte without hearing if the transferee of the permit is in fact a member or members of the transferor's immediate family. For the purpose of this subdivision immediate family consists only of the lawful spouse, adult child or children, brother, or sister of the transferor. Provided further that the immediate family as defined in this subdivision does not include a person under legal disability or a member of the family regardless of relationship who holds any other permit or certificate under this chapter either as an individual or in partnership or as owner of an interest in a corporation holding a permit or a certificate under this chapter.

(b) Provided further that the transfer under this subdivision must include:

(1) transfer to a corporation the stock of which is wholly owned by the transferor or immediate family members;

(2) transfer to a partnership or partner consisting solely of the immediate family as defined in this subdivision.

(c) Provided further that the transfer of a permit under this subdivision must comply with the standards set forth in this section based upon the contents of the petition of petitioners, pertinent information available to the commissioner, and their records and files. No determination of the extent of the operating authority previously exercised is required.

(d) If it appears to the commissioner that the petition and exhibits do not reasonably comply with the standards set forth in this section, then after notice to interested parties and the petitioners, the commissioner shall assign the matter for hearing to determine compliance with this section. A user of the service, competing carrier, or interested party shall have the right to file a protest on the transfer as provided in this subdivision by filing a sworn statement with the commissioner within six months from the date of the transfer, whereupon the commissioner shall assign the matter for hearing and the continuance of the permit may only be upon the transferee's compliance with the standards and procedures otherwise imposed by this section.

Subd. 3. Transfer of certain authority. Operating authority described in section 221.121, subdivision 6f, paragraph (c), that has not been added to the motor carrier's permit under section 221.121, subdivision 6f, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.

221.152 CONVERSION OF PERMIT.

Subdivision 1. Expiration of operating authority. Except as provided in subdivision 3, paragraph (c), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

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Subd. 2. **Conversion.** All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.

Subd. 3. **Issuance of new certificate or permit.** (a) By September 1, 1992, a motor carrier described in subdivision 2 must submit to the commissioner an application for conversion. The application must be on a form prescribed by the commissioner and must be accompanied by an application fee of \$50. The application must state: (1) the name and address of the applicant; (2) the identifying number of the expiring certificates or permits the applicant wishes to convert; and (3) other information the commissioner deems necessary. An applicant for a class II-L permit must also submit a statement of the extent of operating authority that the applicant holds under the applicant's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually exercised as described in section 221.151, subdivision 1.

(b) The commissioner shall transmit to the board all applications that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on applications submitted under this subdivision. Within 60 days after receiving an application under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the application if it finds that the issuance is authorized under this section. An application submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the application.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. **Authority converted.** (a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to an applicant under this subdivision that names points that the permit holder did not serve at any time in the two years before April 30, 1992.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who, before January 1, 1993, held an irregular route common carrier permit under which the person transported temperature-controlled commodities applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant a temperature-controlled commodities permit with authority to operate in the same geographic area authorized under the person's irregular route common carrier permit and a class II permit.

(e) A permit holder that received its permit less than 24 months prior to the effective date of Laws 1992, chapter 600, shall be authorized by the board to operate for a period of up to 24 months or December 31, 1993, whichever occurs first. Prior to January 1, 1994, the permit holder shall follow the procedures for conversion of permits contained in this section. The board shall extend the permit up to June 30, 1994, as required to convert the permit.

221.153 ARMORED CARRIER; CONVERSION OF OPERATING AUTHORITY.

Subdivision 1. **Expiration of operating authority.** All operating authority under certificates or permits granted by the board that authorizes armored carrier service expires on March 1, 1994. After February 28, 1994, no person may provide armored carrier service unless the person holds a valid armored carrier permit issued by the board. This subdivision does not require the expiration of any operating authority other than authority for armored carrier service. This subdivision does not limit the right of carriers to transport items of exceptional value in nonarmored vehicles that are not protected by at least one armed person exclusive of the driver.

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Subd. 2. **Conversion.** A motor carrier holding operating authority that expires on March 1, 1994, under subdivision 1 who wishes to continue providing the service authorized by that operating authority must convert that operating authority into an armored carrier permit before that date.

221.161 SCHEDULE OF RATES AND CHARGES.

Subdivision 1. **Filing; hearing upon board initiative; armored carrier exemption.**

(a) Except as provided in paragraph (b), a permit carrier, including a livestock carrier but not including a local cartage carrier, shall file and maintain with the commissioner a tariff showing rates and charges for transporting persons or property. Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the board may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the permit carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the permit carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. Tariffs for transporting livestock are not subject to rejection, suspension, or postponement by the board, except as provided in subdivisions 2 and 3. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner.

(b) A holder of an armored carrier permit is not required to file a tariff under this subdivision for the service authorized by the armored carrier permit.

Subd. 2. **Hearing upon complaint.** Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. **Hearing upon petition by another carrier.** Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. **Hearing on merits of rates and charges.** The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory. Schedules

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of rates and charges for the transportation of livestock are not subject to rejection, suspension, postponement, or investigation by the commissioner except as provided in subdivisions 2 and 3.

221.171 COMPENSATION OF PERMIT CARRIER FIXED.

Subdivision 1. **Compensation fixed by schedule on file.** No permit carrier shall charge or receive a greater, lesser, or different compensation for the transportation of persons or property or for related service, than the rates and charges named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner under section 221.161; nor shall a permit carrier refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the carrier under the carrier's schedules or under the rates, if any, fixed by the commissioner.

Subd. 2. **Exemptions; household goods.** (a) A person engaged in the transportation of household goods for the federal government or an agency of the federal government or the transportation of household goods for the state government or an agency of the state government where competitive bids are required by law is exempt from subdivision 1.

(b) A person engaged in the transportation of household goods at the request of a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code is exempt from subdivision 1 when the transportation is in furtherance of the organization's charitable purpose. A person engaged in the transportation of household goods for a charitable organization may conduct the transportation without restriction to the geographic area the carrier is authorized to serve under section 221.121.

221.172 SHIPPING DOCUMENT.

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

(b) A record must show the:

- (1) names of the consignor and consignee;
- (2) date of shipment;
- (3) origin and destination points;
- (4) number of packages, if applicable to the rating of the freight or if the carrier's operating authority includes a package or article restriction, unless the shipment is transported by a household goods mover;
- (5) description of the freight;
- (6) weight, volume, or measurement of the freight, if applicable to the rating of the freight or if the carrier's operating authority includes a weight restriction;
- (7) exact rate or rates assessed;
- (8) total charges due, including the nature and amount of any charges for special service;
- (9) the name of each carrier participating in the transportation; and
- (10) after January 1, 1994, any terminals through which the shipment moved.

Subd. 4. **Truckload record.** In addition to the items listed in subdivision 3, if the transportation is provided under a class II-T permit or is a shipment of truckload freight, a record must include the word "truckload" or must prominently display the letters "II-T" and must show the name of the driver or drivers who transported the shipment, the pickup and delivery times, and the license plate number or unit number of the power unit and trailer used to transport the shipment.

Subd. 5. **Temperature-controlled commodities carrier.** In addition to the items listed in subdivision 3, if the transportation is provided under a temperature-controlled commodities permit, a record must include the words "temperature-controlled commodities" or must prominently display the letters "TCC" and must indicate the reasons for protecting the commodity from heat or cold.

Subd. 6. **Courier services carrier.** (a) A courier services carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.

(b) A record must show the:

- (1) names of the consignor and consignee;

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- (2) date of shipment;
 - (3) origin and destination points;
 - (4) number of packages;
 - (5) weight, volume, or measurement of the freight, if applicable to the rating of the freight;
 - (6) exact rate or rates assessed; and
 - (7) total charges due, including the nature and amount of any charges for special service.
 - (c) In addition to the items listed in paragraph (b), if the transportation is expedited delivery, a record also must show the:
 - (1) license plate number or unit number of the vehicle used to transport the shipment;
 - (2) time of the shipper's initial request for service; and
 - (3) pickup and delivery times.
 - (d) In addition to the items listed in paragraph (a), if the transportation is overnight small package delivery, a record also must show the:
 - (1) license plate number or unit number of the vehicle used to transport the shipment at the point of delivery; and
 - (2) weight of each package or article of a shipment.
- Subd. 7. **Contract carrier.** (a) A contract carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.
- (b) A record must show the:
 - (1) names of the consignor and consignee;
 - (2) date of shipment;
 - (3) origin and destination points;
 - (4) description of freight;
 - (5) weight, volume, or measurement of the freight, if applicable to the rating of the freight or if the contract carrier's operating authority includes a weight restriction;
 - (6) exact rate or rates assessed; and
 - (7) total charges due, including the nature and amount of any charges for special service.
- Subd. 8. **Local cartage carrier.** (a) A local cartage carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.
- (b) A record must show the:
 - (1) date of shipment;
 - (2) origin and destination points; and
 - (3) terminal through which the shipment moved, if any.

221.296 LOCAL CARTAGE CARRIER.

Subd. 3. **Permit required.** No person shall operate a local cartage carrier without a permit in full force and effect with respect to the operation. The commissioner may revoke or suspend the permit of a local cartage carrier after notice and hearing for violating a provision of this section or a rule of the commissioner governing local cartage carriers. The commissioner may by order suspend or cancel the permit under section 221.185.

Subd. 4. **Petition for permit.** A person desiring to operate as a local cartage carrier shall file a petition with the commissioner specifying the service offered, the name and address of the petitioner, the names and addresses of the officers, if a corporation, and other information as the commissioner may require. The commissioner, after notice to interested parties and a hearing, shall issue the permit upon compliance with laws and rules relating to it unless it finds that the area to be served has a sufficient number of local cartage carriers to fully and adequately meet the needs of the area, that the petitioners' vehicles do not meet the safety standards adopted by rule by the commissioner, or that petitioner is not fit and able to conduct the proposed operations. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and rules of the commissioner governing local cartage carriers.

Subd. 5. **Permit fees.** Upon filing a petition for a permit the petitioner shall pay to the commissioner as a fee for the issuance of the permit, the sum of \$150, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles. Upon issuance of the permit the commissioner shall assign

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the carrier a permit number, which must be painted or prominently displayed on both sides of vehicles used by the local cartage carrier under authority of the permit.

The commissioner shall issue a distinguishing annual identification card for each vehicle or power unit for which a permit has been issued. The identification card must be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and payment of a transfer fee of \$10. An identification card issued under this section is effective only for the period for which the permit is effective.

Subd. 6. **Bond.** Local cartage carriers shall comply with the requirements of section 221.141.

Subd. 7. **Limitations.** Nothing in this section shall be construed in any manner as taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of any motor vehicle operated by local cartage carriers, nor the general police powers of any city of its highways, nor as abrogating any provision of the charter of any city requiring conditions to be complied with before such local cartage carrier can use the highways of such city, and such rights and powers hereby stated are reserved and granted to such city; but no city shall prohibit or deny the use of the public highways within its territorial boundaries by any local cartage carrier for the transportation of property received within its boundaries to destinations beyond such boundaries, or for the transportation of property from points beyond such boundaries to destinations within the same, or for transporting property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a permit issued by the department pursuant to an order of the commission.

Subd. 8. **Permit transferable.** (a) Permits, issued under the provisions of this section may be transferred but only upon the order of the commissioner approving same after notice and hearing.

(b) The proposed seller and buyer of a permit, shall file a joint verified petition with the commissioner setting forth the legal name and address of the parties, the permit number and the description of the authority which the parties seek to sell, a verified statement of the reasons for the proposed sale, a verified statement of all outstanding claims of creditors which are attributable to the business conducted under said permit, a copy of the contract of sale and financial statement with balance sheet and income statement, if existent, of the buyer and the seller.

(c) After notice to interested parties and a hearing the commissioner shall not make an order approving and allowing the sale unless the commissioner finds that the buyer is fit and able to conduct the business authorized under said permit, that the vehicles the buyer proposes to use in conducting such business meet the safety standards of the commissioner, that the price paid for the purchase of the permit is not disproportionate to the reasonable value of the permit considering all assets and goodwill sold, that the proposed sale is in the best interest of the shipping public, and that the seller has legally engaged in the transportation of property or freight for hire on a meaningful basis as determined by the commissioner within the two-year period immediately preceding the sale as proven by accurate and complete bills of lading, company records, operation records, or other relevant evidence. For purposes of determining said two-year period, any divesting of interest or control shall be deemed the date of the sale and the commissioner shall look to the substance of the transaction rather than the form. Any agreement for the transfer or sale of a permit shall be reported and filed with the commissioner within 30 days of such agreement.

(d) If any authority to operate as a local cartage carrier, is held by a corporation, any sale, assignment, pledge or other transfer of such stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of said corporation, as exercised through its stockholders, shall be reported in the manner prescribed by the rules of the commissioner within 30 days after said sale, assignment, pledge or other transfer of stock. The commissioner shall then make a finding whether or not said stock transfer does, in fact, constitute a sale, or other transfer of the permit of said corporation to a new party or parties and, if they so find, then the continuance of the permit issued to said corporation shall only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

(e) The commissioner shall allow a bona fide transfer of a permit, ex parte without hearing where the transferee of said permit is in fact a member or members of the transferor's immediate family. For the purpose of this paragraph immediate family shall consist only of the lawful spouse, adult child or children, brother or sister of the transferor. A transfer pursuant to this paragraph shall include:

(1) transfer to a corporation the stock of which is wholly owned by the transferor or immediate family members;

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(2) transfer to a partnership or partner consisting solely of the immediate family as defined in this paragraph.