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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 298**

January 26, 2009

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The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

1.1 A bill for an act  
1.2 relating to human services; changing day training and habilitation insurance  
1.3 provisions; setting liability limits; changing the age limit for operators of  
1.4 vehicles for hire; directing the commissioner to seek a federal waiver; allowing  
1.5 a sales tax exemption for certain vehicles; amending Minnesota Statutes 2008,  
1.6 sections 171.322; 174.30, subdivision 1; 297B.03; proposing coding for new law  
1.7 in Minnesota Statutes, chapter 65B.

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

1.9 Section 1. **[65B.136] DAY TRAINING AND HABILITATION**  
1.10 **TRANSPORTATION INSURANCE.**

1.11 **Subdivision 1. People who may drive provider's vehicles.** Notwithstanding  
1.12 section 171.322, an insurer may not prohibit a day training and habilitation transportation  
1.13 provider from utilizing any holder of a valid Class A drivers license under section 171.02  
1.14 to drive the provider's vehicle.

1.15 **Subd. 2. People who may be transported by providers.** In order to efficiently  
1.16 transport as many clients as possible in a single vehicle, an insurer may not prohibit day  
1.17 training and habilitation providers from transporting clients of other providers.

1.18 **Subd. 3. Liability limits.** Day training and habilitation transportation providers  
1.19 under sections 252.40 to 252.46 have the same liability limits as the state as set forth  
1.20 in section 3.736, subdivision 4.

1.21 **Subd. 4. Insurer defined.** For purposes of this section, "insurer" means an insurer  
1.22 issuing or renewing a policy of private passenger vehicle insurance as defined in section  
1.23 65B.001.

2.1 Sec. 2. Minnesota Statutes 2008, section 171.322, is amended to read:

2.2 **171.322 AGE LIMIT FOR OPERATOR OF VEHICLE FOR HIRE;**  
2.3 **EXEMPTION.**

2.4 (a) No person under 18 years of age shall operate a motor vehicle while it is in use as  
2.5 a carrier of persons for hire, nor shall any person under 18 years of age drive a passenger  
2.6 carrying vehicle as a hired driver.

2.7 (b) A day training and habilitation provider under section 252.40 to 252.46 is not a  
2.8 carrier of persons for hire under this section or any other section.

2.9 Sec. 3. Minnesota Statutes 2008, section 174.30, subdivision 1, is amended to read:

2.10 Subdivision 1. **Applicability.** (a) The operating standards for special transportation  
2.11 service adopted under this section do not apply to special transportation provided by:

- 2.12 (1) a common carrier operating on fixed routes and schedules;  
2.13 (2) a volunteer driver using a private automobile;  
2.14 (3) a school bus as defined in section 169.011, subdivision 71; or  
2.15 (4) an emergency ambulance regulated under chapter 144.

2.16 (b) The operating standards adopted under this section only apply to providers  
2.17 of special transportation service who receive grants or other financial assistance from  
2.18 either the state or the federal government, or both, to provide or assist in providing that  
2.19 service; except that the operating standards adopted under this section do not apply  
2.20 to any day training and habilitation services provider under sections 252.40 to 252.46,  
2.21 nursing home licensed under section 144A.02, to any board and care facility licensed  
2.22 under section 144.50, or to any ~~day training and habilitation services,~~ day care; or  
2.23 group home facility licensed under sections 245A.01 to 245A.19 unless the facility or  
2.24 program provides transportation to nonresidents on a regular basis and the facility receives  
2.25 reimbursement, other than per diem payments, for that service under rules promulgated  
2.26 by the commissioner of human services.

2.27 (c) Notwithstanding paragraph (b), the operating standards adopted under this  
2.28 section do not apply to any vendor of services licensed under chapter 245B that provides  
2.29 transportation services to consumers or residents of other vendors licensed under chapter  
2.30 245B and transports 15 or fewer persons, including consumers or residents and the driver.

2.31 Sec. 4. Minnesota Statutes 2008, section 297B.03, is amended to read:

2.32 **297B.03 EXEMPTIONS.**

2.33 There is specifically exempted from the provisions of this chapter and from  
2.34 computation of the amount of tax imposed by it the following:

3.1 (1) purchase or use, including use under a lease purchase agreement or installment  
3.2 sales contract made pursuant to section 465.71, of any motor vehicle by the United States  
3.3 and its agencies and instrumentalities and by any person described in and subject to the  
3.4 conditions provided in section 297A.67, subdivision 11;

3.5 (2) purchase or use of any motor vehicle by any person who was a resident of  
3.6 another state or country at the time of the purchase and who subsequently becomes a  
3.7 resident of Minnesota, provided the purchase occurred more than 60 days prior to the date  
3.8 such person began residing in the state of Minnesota and the motor vehicle was registered  
3.9 in the person's name in the other state or country;

3.10 (3) purchase or use of any motor vehicle by any person making a valid election to be  
3.11 taxed under the provisions of section 297A.90;

3.12 (4) purchase or use of any motor vehicle previously registered in the state of  
3.13 Minnesota when such transfer constitutes a transfer within the meaning of section 118,  
3.14 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal  
3.15 Revenue Code;

3.16 (5) purchase or use of any vehicle owned by a resident of another state and leased  
3.17 to a Minnesota-based private or for-hire carrier for regular use in the transportation of  
3.18 persons or property in interstate commerce provided the vehicle is titled in the state of  
3.19 the owner or secured party, and that state does not impose a sales tax or sales tax on  
3.20 motor vehicles used in interstate commerce;

3.21 (6) purchase or use of a motor vehicle by a private nonprofit or public educational  
3.22 institution for use as an instructional aid in automotive training programs operated by the  
3.23 institution. "Automotive training programs" includes motor vehicle body and mechanical  
3.24 repair courses but does not include driver education programs;

3.25 (7) purchase of a motor vehicle for use as an ambulance by an ambulance service  
3.26 licensed under section 144E.10;

3.27 (8) purchase of a motor vehicle by or for a public library, as defined in section  
3.28 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

3.29 (9) purchase of a ready-mixed concrete truck;

3.30 (10) purchase or use of a motor vehicle by a town for use exclusively for road  
3.31 maintenance, including snowplows and dump trucks, but not including automobiles,  
3.32 vans, or pickup trucks;

3.33 (11) purchase or use of a motor vehicle by a corporation, society, association,  
3.34 foundation, or institution organized and operated exclusively for charitable, religious,  
3.35 or educational purposes, except a public school, university, or library, but only if the  
3.36 vehicle is:

4.1 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a  
 4.2 passenger automobile, as defined in section 168.002, ~~if the automobile is designed and~~  
 4.3 ~~used for carrying more than nine persons including the driver; and~~

4.4 (ii) intended to be used primarily to transport tangible personal property or  
 4.5 individuals, other than employees, to whom the organization provides service in  
 4.6 performing its charitable, religious, or educational purpose;

4.7 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide  
 4.8 transit service is exempt if the transit provider is either (i) receiving financial assistance or  
 4.9 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,  
 4.10 473.388, or 473.405;

4.11 (13) purchase or use of a motor vehicle by a qualified business, as defined in section  
 4.12 469.310, located in a job opportunity building zone, if the motor vehicle is principally  
 4.13 garaged in the job opportunity building zone and is primarily used as part of or in direct  
 4.14 support of the person's operations carried on in the job opportunity building zone. The  
 4.15 exemption under this clause applies to sales, if the purchase was made and delivery  
 4.16 received during the duration of the job opportunity building zone. The exemption under  
 4.17 this clause also applies to any local sales and use tax; and

4.18 (14) purchase of a leased vehicle by the lessee who was a participant in a  
 4.19 lease-to-own program from a charitable organization that is:

4.20 (i) described in section 501(c)(3) of the Internal Revenue Code; and

4.21 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4.

4.22 **Sec. 5. COMMISSIONER TO SEEK WAIVER.**

4.23 The commissioner of human services is directed to secure authorization from the  
 4.24 Center for Medicare and Medicaid to permit day training and habilitation providers under  
 4.25 Minnesota Statutes, sections 252.40 to 252.46, to be reimbursed their transportation per  
 4.26 diem when their client is transported by another day training and habilitation provider  
 4.27 and separately pay that provider.