

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2002

 ONE HUNDRED SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 8, 2002

The House of Representatives convened at 11:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Pastor Gerry Gengenbach, Vang and Dennison Lutheran Church, rural Kenyon, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dibble	Hilstrom	Kuisle	Osthoff	Stanek
Abrams	Dorman	Hilty	Lenczewski	Otremba	Stang
Anderson, B.	Dorn	Holberg	Leppik	Ozment	Swapinski
Anderson, I.	Eastlund	Holsten	Lieder	Paulsen	Swenson
Bakk	Entenza	Howes	Lindner	Pawlenty	Sykora
Bernardy	Erhardt	Huntley	Lipman	Paymar	Thompson
Biernat	Erickson	Jacobson	Mahoney	Pelowski	Tingelstad
Bishop	Evans	Jaros	Mares	Penas	Tuma
Blaine	Finseth	Jennings	Mariani	Pugh	Vandever
Boudreau	Folliard	Johnson, J.	Marko	Rhodes	Wagenius
Buesgens	Fuller	Johnson, R.	Marquart	Rifenberg	Walker
Carlson	Gerlach	Johnson, S.	McGuire	Rukavina	Walz
Cassell	Gleason	Jordan	Milbert	Ruth	Wasiluk
Clark, J.	Goodno	Juhnke	Molnau	Schumacher	Westerberg
Clark, K.	Goodwin	Kahn	Mulder	Seagren	Westrom
Daggett	Gray	Kalis	Mullery	Seifert	Wilkin
Davids	Greiling	Kelliher	Murphy	Sertich	Winter
Davnie	Gunther	Kielkucki	Ness	Skoe	Spk. Sviggum
Dawkins	Haas	Knoblach	Olson	Skoglund	
Dehler	Hackbarth	Krinkie	Opatz	Slawik	
Dempsey	Hausman	Kubly	Osskopp	Smith	

A quorum was present.

Bradley, Harder, Koskinen, McElroy, Nornes, Peterson and Wolf were excused.

Leighton was excused until 11:45 a.m. Workman was excused until 11:50 a.m. Larson was excused until 11:55 a.m. Solberg was excused until 12:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Marko moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 3463 and H. F. No. 3719, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Finseth moved that the rules be so far suspended that S. F. No. 3463 be substituted for H. F. No. 3719 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1671, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI; dedicating the sales tax receipts equal to a sales tax of 3/16 of one percent on taxable sales for natural resource purposes; creating a heritage enhancement fund and a heritage enhancement council; modifying the disposition of the payments in lieu of sales tax for lottery tickets; amending Minnesota Statutes 2000, sections 97A.055, subdivision 2; 297A.94; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2005, until June 30, 2026, the sales and use tax receipts equal to the state sales and use tax of 3/16 of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced by any refunds, are dedicated as follows: 51 percent of the receipts shall be deposited in the Minnesota conservation heritage enhancement fund and may be spent only to improve, enhance, and protect the state's natural resources, fish and wildlife and habitats for fishing, hunting, and other uses, forests, wetlands, prairies, lakes, rivers, and watersheds; 20 percent of the receipts may be spent only for state parks and trails; 20 percent of the receipts may be spent only on metropolitan park and trail grants; seven percent of the receipts may be spent only on grant-in-aid trails and local and regional park and trail grants; and two percent of the receipts may be spent only for state and local zoos. A Minnesota conservation heritage enhancement fund is created in the state treasury. The money dedicated under this section shall be appropriated by law and shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Land acquired by fee or easement with money deposited in the Minnesota conservation heritage enhancement fund under this section must be open to public taking of fish or game during the open seasons.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 2002 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2005, to improve, enhance, and protect the state's natural resources; its fish and wildlife and habitats for fishing, hunting, and other uses; its forests, wetlands, and prairies; its lakes, rivers, and watersheds; its state parks and trails, metropolitan parks and

trails, grant-in-aid trails and local and regional parks and trails, and state and local zoos by dedicating the sales and use tax receipts equal to the state sales and use tax of 3/16 of one percent on taxable sales until the year 2026?

Yes
No"

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 apply to sales and uses occurring after June 30, 2005."

Delete the title and insert:

"A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI; dedicating the sales tax receipts equal to a sales tax of 3/16 of one percent on taxable sales for natural resource purposes."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 3463 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Abrams; Tingelstad; Milbert; Lenczewski; Sviggum; Kielkucki; Hausman; Greiling; Pawlenty; Jaros; McGuire; Thompson; Mares; Schumacher; Rhodes; Mulder; Westerberg; Eastlund; Erickson; Blaine; Penas; Johnson, J.; Buesgens; Larson and Jacobson introduced:

H. F. No. 3722, A bill for an act proposing an amendment to the Minnesota Constitution to provide for a unicameral legislature; changing article IV; article V, sections 3 and 5; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by law for a unicameral legislature of 134 members; amending Minnesota Statutes 2000, sections 2.021; and 2.031, subdivision 1.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Davids introduced:

H. F. No. 3723, A bill for an act relating to insurance; prohibiting insurers from charging membership fees or dues; amending Minnesota Statutes 2000, section 72A.20, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Evans and Greiling introduced:

H. F. No. 3724, A bill for an act relating to state government; providing that appropriations for operation and maintenance of the governor's mansion will be made through the department of administration; amending Minnesota Statutes 2000, section 16B.27, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3350, A bill for an act relating to health; modifying current protocols for nurses; modifying prior authorization requirements for prescription drugs; clarifying responsibilities for administering the Ryan White act; clarifying providers continuation of family community support services; amending Minnesota Statutes 2000, sections 148.235, by adding subdivisions; 151.37, subdivision 2; 256.01, by adding a subdivision; Minnesota Statutes 2001 Supplement, sections 148.284; 256B.0625, subdivisions 13, 35.

PATRICK E. FLAHAVEN, Secretary of the Senate

Abeler moved that the House refuse to concur in the Senate amendments to H. F. No. 3350, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3133, A bill for an act relating to health; requiring legislative approval before the commissioner of health adopts certain new or amended rules governing the Minnesota Clean Indoor Air Act; amending Minnesota Statutes 2000, section 144.417, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Stevens, Pogemiller and Pappas.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seifert moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3133. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2707.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2707

A bill for an act relating to real estate; filling in an inadvertent omission for a temporary increase in the surcharge for filing and recording certain documents to fund the real estate task force; extending the effective date for the surcharges; appropriating money; amending Minnesota Statutes 2001 Supplement, sections 357.18, subdivision 3; 508.82, subdivision 1; 508A.82, subdivision 1; Laws 2001, First Special Session chapter 10, article 2, section 77; Laws 2001, First Special Session chapter 10, article 2, section 98; Laws 2001, First Special Session chapter 10, article 2, section 99.

May 2, 2002

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2707, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2707 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 507.093, is amended to read:

507.093 [STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.]

(a) The following standards are imposed on documents to be recorded with the county recorder or filed with the registrar of titles:

(1) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.

(2) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.

(3) The document shall be on white paper of not less than 20-pound weight with no background color, images, or writing and shall have a clear border of approximately one-half inch on the top, bottom, and each side.

(4) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half to be used by the county recorder for recording information or registrar of titles for filing information and the left half to be used by the county auditor or treasurer for certification.

(5) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).

(6) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.

(7) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the county recorder's or registrar of title's current method of reproduction.

The standards in this paragraph do not apply to a document that is recorded or filed as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391.

(b) The recording or filing fee for a document that does not conform to the standards in paragraph (a) shall be increased as provided in sections 357.18, subdivision 5; 508.82; and 508A.82.

(c) The recorder or registrar shall refund the recording or filing fee to the applicant if the real estate documents are not filed or registered within 30 days after receipt, or as otherwise provided by section 386.30.

Sec. 2. Minnesota Statutes 2001 Supplement, section 507.24, subdivision 2, is amended to read:

Subd. 2. [ORIGINAL SIGNATURES REQUIRED.] Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment. Any electronic instruments, including signatures and seals, affecting real estate may only be recorded as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391.

Sec. 3. Minnesota Statutes 2001 Supplement, section 508.82, subdivision 1, is amended to read:

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (5), (11), (13), (14), (16), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$4.50~~ \$5 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), (16), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs, 50 cents must be deposited in the state treasury to provide an additional funding source for the appropriations in Laws 2001, First Special Session chapter 10, article 2, sections 98 and 99, to the legislative coordinating commission for the real estate task force established under Laws 2000, chapter 391, and \$4 to be paid to the state treasury and credited to the general fund;

(2) for registering a first certificate of title, including issuing a copy of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$30;

(4) for issuance of a CECT pursuant to section 508.351, \$15;

- (5) for the entry of each memorial on a certificate, \$15;
- (6) for issuing each residue certificate, \$20;
- (7) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;
- (8) for each certificate showing condition of the register, \$10;
- (9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;
- (10) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;
- (11) for filing two copies of any plat in the office of the registrar, \$30;
- (12) for any other service under this chapter, such fee as the court shall determine;
- (13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;
- (14) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;
- (15) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan or common interest community plat with a minimum fee of \$10;
- (16) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$10;
- (17) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30; and
- (18) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.

Sec. 4. Minnesota Statutes 2001 Supplement, section 508A.82, subdivision 1, is amended to read:

Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (5), (11), (13), (14), and (17), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$4.50~~ \$5 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs, 50 cents to be deposited in the state treasury to provide an additional funding source for the appropriations in Laws 2001, First Special Session chapter 10, article 2, sections 98 and 99, to the legislative coordinating commission for the real estate task force established under Laws 2000, chapter 391, and \$4 to be paid to the state treasury and credited to the general fund;

(2) for registering a first CPT, including issuing a copy of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, \$30;

(4) for issuance of a CECT pursuant to section 508A.351, \$15;

(5) for the entry of each memorial on a CPT, \$15;

(6) for issuing each residue CPT, \$20;

(7) for exchange CPTs or combined certificates of title, \$10 for each CPT and certificate of title canceled and \$10 for each new CPT or combined certificate of title issued;

(8) for each CPT showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any CPT, other than the copies issued under clauses (2) and (3), any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(13) for filing an amendment to a declaration in accordance with chapter 515, \$10 for each certificate upon which the document is registered and \$30 for an amended floor plan filed in accordance with chapter 515;

(14) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), and issuing a CECT if required, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium or common interest community plat or amendment;

(15) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, or common interest community plat with a minimum fee of \$10;

(16) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(17) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30; and

(18) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.

Sec. 5. Laws 2000, chapter 391, section 1, subdivision 2, is amended to read:

Subd. 2. [STUDY AND RECOMMENDATIONS.] The task force shall study and make recommendations regarding implementation of a system for electronic filing and recording of real estate documents and shall consider:

(1) technology and computer needs;

(2) legal issues such as authenticity, security, timing and priority of recordings, and the relationship between electronic and paper recording systems;

(3) cost-effectiveness of electronic recording systems;

(4) timetable and plan for implementing an electronic recording system, considering types of documents and entities using the system and volume of recordings;

(5) permissive versus mandatory systems; and

(6) other relevant issues identified by the task force.

The task force shall submit a report to the legislature by January 15, 2001, outlining a proposed work plan and budget for consideration by the legislature. The task force expires June 30, ~~2003~~ 2004.

Sec. 6. Laws 2001, First Special Session chapter 10, article 2, section 98, is amended to read:

Sec. 98. [WORK PLAN APPROPRIATIONS.]

(a) \$650,000 is appropriated from the surcharge collected under Minnesota Statutes, section 357.18, subdivision 3, to the legislative coordinating commission, to be made available to the real estate task force established in accordance with Laws 2000, chapter 391, for the expenses of the task force in carrying out the work plan as described in the January 15, 2001, task force report to the legislature. This appropriation is available until June 30, ~~2003~~ 2004, and is to be administered at the direction of the chair of the task force, subject to the prior approval of the task force.

(b) \$500,000 is appropriated from the surcharge collected under Minnesota Statutes, section 357.18, subdivision 3, to the legislative coordinating commission, to be made available to the task force for the development and implementation of pilot electronic real estate projects in diverse counties as described in the January 15, 2001, task force report to the legislature. This appropriation is available until June 30, ~~2003~~ 2004.

Sec. 7. [EXTENSION OF EFFECTIVE DATE.]

The effective date of the amendment to Minnesota Statutes, section 357.18, subdivision 3, contained in Laws 2001, First Special Session chapter 10, article 2, section 77, is extended until June 30, 2004.

Sec. 8. [ADDITIONAL FUND SOURCE FOR 2001 APPROPRIATION.]

The 50 cent increase in the surcharges made by the amendments in sections 3 and 4 are available as an additional funding source for the appropriations in Laws 2001, First Special Session chapter 10, article 2, sections 98 and 99.

Sec. 9. [EFFECTIVE DATES AND APPLICATION.]

The amendments made by sections 3 and 4 are effective until June 30, 2004, for documents last acknowledged ten or more days after the date of final enactment of this act; or filed 45 days or more after the date of final enactment. Sections 6 to 8 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to real estate; filling in an inadvertent omission for a temporary increase in the surcharge for filing and recording certain documents to fund the real estate task force; extending the effective date for the surcharges; extending the availability of an existing appropriation; providing for the electronic recording and authentication of certain documents as part of a pilot project; delaying the expiration date of the electronic real estate

recording task force; amending Minnesota Statutes 2000, section 507.093; Minnesota Statutes 2001 Supplement, sections 507.24, subdivision 2; 508.82, subdivision 1; 508A.82, subdivision 1; Laws 2000, chapter 391, section 1, subdivision 2; Laws 2001, First Special Session chapter 10, article 2, section 98."

We request adoption of this report and repassage of the bill.

Senate Conferees: STEVE KELLEY, WARREN LIMMER AND ANN H. REST.

House Conferees: AL JUHNKE, RAY VANDEVEER AND SONDRER ERICKSON.

Juhnke moved that the report of the Conference Committee on S. F. No. 2707 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2707, A bill for an act relating to real estate; filling in an inadvertent omission for a temporary increase in the surcharge for filing and recording certain documents to fund the real estate task force; extending the effective date for the surcharges; appropriating money; amending Minnesota Statutes 2001 Supplement, sections 357.18, subdivision 3; 508.82, subdivision 1; 508A.82, subdivision 1; Laws 2001, First Special Session chapter 10, article 2, section 77; Laws 2001, First Special Session chapter 10, article 2, section 98; Laws 2001, First Special Session chapter 10, article 2, section 99.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hausman	Kuisle	Otremba	Stang
Anderson, I.	Dorn	Hilstrom	Lenczewski	Ozment	Swapinski
Bakk	Eastlund	Hilty	Leppik	Paulsen	Swenson
Bernardy	Entenza	Holberg	Lieder	Paymar	Thompson
Biernat	Erhardt	Holsten	Lindner	Pelowski	Tingelstad
Bishop	Erickson	Howes	Mahoney	Penas	Tuma
Blaine	Evans	Huntley	Mares	Pugh	Vandever
Boudreau	Finseth	Jacobson	Mariani	Rhodes	Wagenius
Carlson	Folliard	Jaros	Marko	Rifenberg	Walker
Cassell	Fuller	Jennings	Marquart	Rukavina	Walz
Clark, J.	Gerlach	Johnson, R.	McGuire	Ruth	Wasiluk
Clark, K.	Gleason	Johnson, S.	Milbert	Schumacher	Westerberg
Daggett	Goodno	Jordan	Mulder	Seagren	Westrom
Davids	Goodwin	Juhnke	Mullery	Sertich	Winter
Davnie	Gray	Kahn	Murphy	Skoe	Spk. Sviggum
Dawkins	Greiling	Kalis	Ness	Skoglund	
Dehler	Gunther	Kelliher	Opatz	Slawik	
Dempsey	Haas	Knoblach	Osskopp	Smith	
Dibble	Hackbarth	Kubly	Osthoff	Stanek	

Those who voted in the negative were:

Abrams	Buesgens	Kielkucki	Molnau	Pawlenty	Wilkin
Anderson, B.	Johnson, J.	Krinkie	Olson	Seifert	

The bill was repassed, as amended by Conference, and its title agreed to.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3200

A bill for an act relating to health occupations; establishing guest licenses for dentists and dental hygienists; establishing guest registration for dental assistants; appropriating money; amending Minnesota Statutes 2000, section 150A.06, by adding a subdivision.

April 16, 2002

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H. F. No. 3200, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: KEVIN GOODNO, TIM WILKIN AND PAUL MARQUART.

Senate Conferees: SHEILA M. KISCADEN AND DALLAS C. SAMS.

Goodno moved that the report of the Conference Committee on H. F. No. 3200 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3200, A bill for an act relating to health occupations; establishing guest licenses for dentists and dental hygienists; establishing guest registration for dental assistants; appropriating money; amending Minnesota Statutes 2000, section 150A.06, by adding a subdivision.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Dawkins	Erickson	Gray	Holsten
Abrams	Buesgens	Dehler	Evans	Greiling	Howes
Anderson, B.	Carlson	Dempsey	Finseth	Gunther	Huntley
Anderson, I.	Cassell	Dibble	Folliard	Haas	Jacobson
Bakk	Clark, J.	Dorman	Fuller	Hackbarth	Jaros
Bernardy	Clark, K.	Dorn	Gerlach	Hausman	Jennings
Biernat	Daggett	Eastlund	Gleason	Hilstrom	Johnson, J.
Bishop	Davids	Entenza	Goodno	Hilty	Johnson, R.
Blaine	Davnie	Erhardt	Goodwin	Holberg	Johnson, S.

Jordan	Lieder	Mullery	Pelowski	Skoglund	Wagenius
Juhnke	Lindner	Murphy	Penas	Slawik	Walker
Kahn	Lipman	Ness	Pugh	Smith	Walz
Kalis	Mahoney	Olson	Rhodes	Stanek	Wasiluk
Kelliher	Mares	Opatz	Rifenberg	Stang	Westerberg
Kielkucki	Mariani	Osskopp	Rukavina	Swapinski	Westrom
Knoblach	Marko	Osthoff	Ruth	Swenson	Wilkin
Krinkie	Marquart	Otremba	Schumacher	Sykora	Winter
Kubly	McGuire	Ozment	Seagren	Thompson	Spk. Sviggum
Kuisle	Milbert	Paulsen	Seifert	Tingelstad	
Lenczewski	Molnau	Pawlenty	Sertich	Tuma	
Leppik	Mulder	Paymar	Skoe	Vandeveer	

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3203

A bill for an act relating to public safety; modifying vehicle registration provisions; regulating certain motor vehicle dealer transactions; modifying provisions governing road inspections, first hauls, and weight allowances for commercial motor vehicles and requiring a study; allowing certain transactions with department of public safety to be conducted electronically; setting vehicle title fees; modifying bicycle registration provisions; modifying certain traffic regulations; requiring proof of legal presence in this country to obtain driver's license, permit, or identification card; modifying certain license plate display requirements; authorizing special veteran and patriot license plates; modifying commercial driver's license exemption for snowplow drivers; providing for driver's license to be issued to legally emancipated minor; modifying commercial driver's license provisions to conform to federal law; exempting certain funds from matching requirements; authorizing rules; making technical and clarifying changes; amending Minnesota Statutes 2000, sections 168.011, subdivisions 4, 17, 34; 168.013, subdivision 3; 168.09, subdivisions 1, 3; 168.10, subdivision 1c; 168.123, subdivision 2; 168.27, as amended; 168.31, subdivision 4; 168.33, subdivision 6, by adding a subdivision; 168A.01, subdivisions 2, 24, by adding a subdivision; 168A.04, subdivision 5; 168A.05, subdivision 5a; 168A.09, subdivision 1; 168A.11, subdivision 2; 168A.12, subdivisions 1, 2; 168A.154; 168A.18; 168A.19, subdivision 2; 168A.20, subdivisions 2, 3, 4; 168A.24, subdivision 1; 168A.29, subdivision 1; 168C.02, subdivisions 1, 5; 168C.03; 168C.04, subdivision 1; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; 168C.13, subdivision 1; 169.06, by adding a subdivision; 169.26, subdivision 1; 169.28, subdivision 1; 169.771, subdivisions 2, 3; 169.85, subdivisions 1, 2; 169.851, subdivision 3; 169.86, subdivision 5; 169.974, subdivision 5; 171.02, subdivisions 1, 5; 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 171.06, subdivisions 1, 3; 171.07, subdivision 3; 171.13, subdivision 2; 171.165; Minnesota Statutes 2001 Supplement, sections 168.012, subdivision 1; 169.781, subdivision 2; 169.79, subdivisions 3, 8, by adding a subdivision; 171.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 2000, sections 115A.908, subdivision 2; 171.30, subdivision 3; Minnesota Statutes 2001 Supplement, section 115A.908, subdivision 1.

April 24, 2002

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

We, the undersigned conferees for H. F. No. 3203, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3203 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC SAFETY MISCELLANY

Section 1. Minnesota Statutes 2000, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily upon public roads and highways, and not operated exclusively upon railroad tracks and. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which that are propelled by electric power obtained from overhead trolley wires but not operated upon rails; except. It does not include snowmobiles, manufactured homes, and or park trailers.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, ~~which that~~ (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both physically disabled license plates and a physically disabled certificate issued under section 169.345, subdivision 3.

(c) Motor vehicle does not include an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985; ~~in which case.~~ The owner may continue to license it an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

Sec. 2. Minnesota Statutes 2000, section 168.011, subdivision 34, is amended to read:

Subd. 34. [FLEET.] "Fleet" means a combination of ~~400~~ 50 or more vehicles and trailers owned by a person solely for the use of that person or employees of the person and registered in this state under section 168.127. It does not include vehicles licensed under section 168.187.

Sec. 3. Minnesota Statutes 2001 Supplement, 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 educational purposes;

(5) ~~vehicles owned and used by honorary consul;~~

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

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

(d) Unmarked vehicles used by the departments of revenue and labor and industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, 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 commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the division of disease prevention and control of the department of health must be registered and must display passenger vehicle classification 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 commissioner of health. 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 division of disease prevention and control.

(f) Unmarked vehicles used by staff of the gambling control board in gambling investigations and reviews must be registered and must display passenger vehicle classification 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 board chair. 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 gambling control board.

(g) 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, plainly displayed on both sides of the vehicle; except that each state hospital and institution for the mentally ill and mentally retarded 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. 4. Minnesota Statutes 2000, section 168.013, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHT FORBIDDEN.] (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry ~~thereon~~ on it, the sum of which ~~shall constitute~~ constitutes the

gross weight upon which the license tax ~~shall must~~ be paid, ~~but in no case shall~~. However, the declared gross weight upon which the tax is paid must not be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.01, subdivision 52. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) The gross weight of ~~no~~ a motor vehicle, trailer, or semitrailer ~~shall must not~~ exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid ~~shall must~~ be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates ~~shall must~~ be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight ~~shall be~~, is guilty of a misdemeanor and ~~be~~ subject to increased registration or reregistration according to the following schedule:

(1) ~~The owner, driver or user of a motor vehicle, trailer or semitrailer~~ Upon conviction for transporting a gross weight in excess of the gross weight for which it a motor vehicle, trailer, or semitrailer is registered by more than four percent or 1,000 pounds, whichever is greater, but less than 25 percent, or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.825 by more than four percent or 1,000 pounds, whichever is greater, but less than 25 percent, the owner, driver, or user of the motor vehicle, trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for the misdemeanor, shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying. The increase is computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under section 169.825, that additional amount ~~shall must~~ nevertheless be paid into the highway fund, but the additional tax thus paid ~~shall does not authorize or permit any person to operate the vehicle to be operated~~ with a gross weight in excess of the maximum legal weight as provided by section 169.825. Unless the owner within 30 days after a conviction ~~shall apply~~ applies to increase the authorized weight and pay the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) ~~The owner or driver or user of a motor vehicle, trailer or semitrailer~~ Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or semitrailer for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more, or for operating or using a the vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.825 by 25 percent or more, and in addition to any penalty imposed for the misdemeanor, the registrar shall have either (i) cancel the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity canceled by the registrar, or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of registration on the vehicle operated shall be canceled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or

on-farm storage site to any other location within 50 miles of the place of production or on-farm storage site, or (ii) the first, continuous transportation of unfinished forest products from the place of production to the place of first unloading.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to ~~provisions of~~ this section, the vehicle ~~shall~~ must not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee ~~shall be~~ is the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 ~~shall~~ must be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state.

Sec. 5. Minnesota Statutes 2000, section 168.09, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] No trailer or motor vehicle, except as is exempted by section 168.012, ~~shall use may be used or be~~ operated upon the public streets or highways of the state in any calendar year until it is registered; as provided in this section, ~~and~~ the motor vehicle tax and fees as provided in this chapter are paid, and the number plates issued for the trailer or motor vehicle are displayed on ~~the vehicle it~~. No trailer or motor vehicle, except as provided by section 168.012, which ~~shall~~ for any reason is not be subject to taxation as provided in this chapter, ~~shall use may be used or be~~ operated upon the public streets or highways of this state until it is registered; as provided in this section; and ~~shall display~~ displays number plates as required by ~~the provisions of~~ this chapter, except that the purchaser of a new trailer or motor vehicle may operate ~~that motor vehicle it~~ without plates if the permit authorized by section 168.091 or 168.092 is displayed.

Sec. 6. Minnesota Statutes 2000, section 168.09, subdivision 3, is amended to read:

Subd. 3. [PRORATABLE VEHICLES; OTHER VEHICLES.] (a) Plates or other insignia issued for a motor vehicle registered under ~~the provisions of~~ section 168.187 for a calendar year shall be displayed on the motor vehicle not later than 12:01 a.m. on March 2 of the year unless extended by the registrar for the period of time required for the issuance of the new plates or insignia. The commissioner of public safety shall register all motor vehicles registered under section 168.187 for a period of 14 months for the registration year 1994 to implement ~~the provisions of~~ this subdivision. The registration year for vehicles registered under section 168.187, ~~as provided in this section shall be,~~ is from March 1 to the last day of February for 1995 and succeeding years.

(b) Except for a motor vehicle registered under section 168.017 or 168.187, plates or other insignia issued for a self-propelled motor vehicle registered for over 27,000 pounds ~~except a motor vehicle registered under the provision of sections 168.017 and 168.187~~ shall be displayed on the vehicle not later than 12:01 a.m. on March 2 of the year, ~~nor and,~~ except for recreational equipment, not earlier than 12:01 a.m. on February 15 of the year, unless otherwise extended by the registrar for the period of time required for ~~the issuance of~~ issuing the new plates or insignia.

(c) Except for a motor vehicle registered under section 168.017 or 168.187, plates or other insignia issued for a self-propelled vehicle registered for 27,000 pounds or less and all other motor vehicles ~~except those registered under the provisions of section 168.017 or 168.187~~ shall be displayed not later than 12:01 a.m. on March 2 of the year, and, except for recreational equipment, not earlier than January 1 of the year unless otherwise extended by the registrar for the period of time required for ~~the issuance of~~ issuing the new plates or insignia. The registration year for all vehicles as provided in this paragraph and paragraph (b) ~~shall be~~ is from March 1 to the last day of February for 1979 and succeeding years.

Sec. 7. Minnesota Statutes 2000, section 168.10, subdivision 1c, is amended to read:

Subd. 1c. [COLLECTOR'S VEHICLE, COLLECTOR LICENSE.] (a) The owner of any motor vehicle, including any truck, that is at least 20 model years old and, was manufactured after 1935, or any motor vehicle of a defunct make defined as any car or truck originally licensed as a separate identifiable make as designated by the division of motor vehicles; and is owned and operated solely as a collector's vehicle, shall be listed list the vehicle for taxation and registration as follows:

(1) ~~execute~~ an affidavit ~~shall be executed~~ stating the name and address of the person from whom purchased and of the new owner, the make of the motor vehicle, the year and number of the model, the manufacturer's identification number, and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. ~~The owner must also; and~~

(2) prove that the owner also has one or more vehicles with regular license plates.

If the registrar is satisfied that the affidavit is true and correct and the owner pays a \$25 tax, the registrar shall list the vehicle for taxation and registration and shall issue a single number plate.

(b) The number plate issued shall bear the inscription "Collector," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plate is valid without renewal as long as the vehicle is in existence. The registrar has the power to revoke the plate for failure to comply with this subdivision.

Sec. 8. [168.1255] [SPECIAL VETERAN CONTRIBUTION LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special veteran contribution license plates to an applicant who:

(1) is a veteran, as defined in section 197.447;

(2) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(3) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(4) pays the registration tax required under section 168.013;

(5) pays the fees required under this chapter;

(6) pays an additional one-time World War II memorial contribution of \$30, which the department shall retain until all start-up costs associated with the development and issuing of the plates have been recovered, after which the commissioner shall deposit contributions in the World War II donation match account; and

(7) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(1) the special veteran contribution plates must bear the inscription "PROUD TO BE A VETERAN" on the bottom of the plate; and

(2) the flag of the United States of America must appear on the left side of the plate just preceding the first letter or numeral of the special license plate number.

Subd. 3. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 4. [FEES CREDITED.] The fees collected under this section must be deposited in the state treasury and credited to the highway user tax distribution fund. Fees collected under this section do not include the contributions collected for the World War II memorial donation match account.

Subd. 5. [RECORD.] The registrar shall maintain a record of the number of special plates issued under this section.

Sec. 9. Minnesota Statutes 2000, section 168.27, as amended by Laws 2001, chapter 151, section 1; and Laws 2001, First Special Session chapter 8, article 2, sections 35 and 36, is amended to read:

168.27 [MOTOR VEHICLE DEALERS; VIOLATIONS, PENALTIES.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the ~~following~~ terms in paragraphs (b) to (o) have the meanings given them:

~~(1)~~ (b) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

~~(2)~~ (c) "Brokering motor vehicles" means arranging sales or leases between buyers and sellers, or lessees and lessors, of motor vehicles and receiving a fee for those services.

~~(3)~~ (d) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

~~(4)~~ (e) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

~~(5)~~ (f) "Dealer" includes licensed new motor vehicle dealers, used motor vehicle dealers, motor vehicle brokers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

~~(6)~~ (g) "Commercial building" means a permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

~~(7)~~ (h) "Commercial office space" means office space occupying all or part of a commercial building.

~~(8)~~ (i) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

~~(9)~~ (j) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with this chapter and chapters 168A and 297B, or the laws of the residence of the owner.

~~(10)~~ (k) "New motor vehicle" means a motor vehicle other than described in paragraph ~~(9)~~ (j).

~~(11)~~ (l) "Junked vehicle" means a vehicle that is declared unrepairable under section 168A.151.

~~(12)~~ (m) "Motor vehicle" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.

~~(13)~~ (n) "Motor vehicle broker" means a person who arranges the sale of a motor vehicle between a buyer and a seller, or the lease of a motor vehicle between a lessee and a lessor, for which service the broker receives a fee.

(o) "Registration year" means the 12-month period for which a dealer license is issued.

Subd. 1a. [DEALER LICENSE CATEGORIES.] (a) No person shall engage in the business of selling new motor vehicles or shall offer to sell, solicit, deliver, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license.

(b) No person shall engage in the business of selling used motor vehicles or shall offer to sell, solicit, deliver, or advertise the sale of used motor vehicles without first acquiring a used motor vehicle dealer license.

(c) No person shall engage in the business of buying or otherwise acquiring vehicles other than hulks; or offering to buy or otherwise acquire, or soliciting or advertising the buying or acquiring of, vehicles other than hulks for processing and selling the metal for remelting without first acquiring a scrap metal processor license.

For purposes of this paragraph, a "hulk" is a motor vehicle that is incapable, under its own power, of moving and is incapable of transporting persons or property and has had valuable used parts removed. Its sole value is its metallic content.

(d) No person shall be primarily engaged in the business of buying or otherwise acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and the remaining scrap metals without first acquiring a used vehicle parts dealer license.

(e) No person shall engage in the business of storing and displaying, offering to store or display, or soliciting or advertising the storing or displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company without first acquiring a vehicle salvage pool license.

(f) No person shall engage in the business of leasing motor vehicles or shall offer to lease, solicit or advertise to lease motor vehicles without first acquiring a motor vehicle lessor license.

(g) No person shall engage in the business of wholesaling motor vehicles to dealers for resale or shall offer to sell, solicit or advertise the sale of motor vehicles to dealers for resale without first acquiring a motor vehicle wholesaler license.

(h) No person shall engage in the business of auctioning motor vehicles for more than one owner at an auction or shall offer to sell, solicit or advertise the sale of motor vehicles at auction without first acquiring a motor vehicle auctioneer license.

(i) No person shall engage in the business of brokering motor vehicles without first acquiring a motor vehicle broker's license.

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling new motor vehicles or shall offer to sell, solicit, deliver, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to may sell, broker, wholesale, or auction and ~~to~~ solicit and advertise the sale, ~~broker brokerage~~, wholesale, or auction of new motor vehicles covered by the franchise and any used motor vehicles ~~or to, and may~~ lease and ~~to~~ solicit and advertise the lease of new motor vehicles and any used motor vehicles ~~and such~~. New motor vehicle dealer sales or leases may be either for consumer use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer. Nothing ~~herein shall be construed to require in this subdivision requires~~ an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract

or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a disabled person to use the vehicle.

(c) A new motor vehicle dealer shall not deliver a manufacturer's or importer's certificate of origin for a passenger automobile, pickup truck, or van requiring a certificate of title ~~pursuant~~ according to chapter 168A to any person in conjunction with the sale of a vehicle except to the department, another new motor vehicle dealer licensed to sell the same line or make, or a person whose primary business is picking up and delivering motor vehicle title documents.

(d) If a new motor vehicle dealer agrees to sell or lease a new motor vehicle using the services of a motor vehicle broker, the new motor vehicle dealer may not refuse to deliver possession of the vehicle to the buyer or lessee. This paragraph does not require delivery unless all arrangements have been properly completed for payment, insurance required by law, titling, transfer, and registration of the new vehicle and any trade-in vehicle. Delivery may take place at or away from the dealership.

Subd. 3. [~~USED MOTOR VEHICLE DEALER.~~] ~~No person shall engage in the business of selling or arranging the sale of used motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of used motor vehicles without first acquiring a used motor vehicle dealer license. A used motor vehicle dealer licensee shall be entitled thereunder to may sell, lease, broker, wholesale, or auction and to solicit and advertise the sale, lease, ~~broker~~ brokerage, wholesale, or auction of any used motor vehicles for consumer use at retail or for resale to a dealer. A used motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a used motor vehicle dealer may not acquire a junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is also licensed as a used vehicle parts dealer.~~

Subd. 3a. [~~SCRAP METAL PROCESSOR.~~] ~~(a) A person must have a scrap metal processor license to engage in the business of:~~

~~(1) buying or otherwise acquiring vehicles other than hulks; or~~

~~(2) offering to buy or otherwise acquire, or soliciting or advertising the buying or acquiring of, vehicles other than hulks for processing and selling the metal for remelting. For purposes of this subdivision, a "hulk" is a motor vehicle that is incapable, under its own power, of moving and is incapable of transporting persons or property and has had any valuable used parts removed. Its sole value is its metallic content.~~

~~(b) A scrap metal processor licensee is entitled to may buy or otherwise acquire vehicles and to solicit and advertise the buying or acquiring of vehicles for processing and selling the metal for remelting. A scrap metal processor licensee may not acquire a junked vehicle for the purpose of dismantling and selling used vehicle parts and remaining scrap materials unless the scrap metal processor is also licensed as a used vehicle parts dealer.~~

Subd. 3b. [~~USED VEHICLE PARTS DEALER.~~] ~~A person must have a used vehicle parts dealer's license to be primarily engaged in the business of buying or otherwise acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and the remaining scrap metals.~~

Subd. 3c. [~~VEHICLE SALVAGE POOL.~~] ~~A person must have a vehicle salvage pool license to engage in the business of: storing and displaying, offering to store or display, or soliciting or advertising the storing or displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee is entitled to may store and display and to may solicit and advertise the storing and displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee shall not sell junked vehicles to any party other than a licensed used parts dealer.~~

Subd. 4. [MOTOR VEHICLE LESSOR.] ~~No person shall engage in the business of leasing motor vehicles or shall offer to lease, solicit or advertise to lease motor vehicles without first acquiring a motor vehicle lessor license. A motor vehicle lessor licensee shall be entitled thereunder to~~ may lease or rent either by the hour, day or longer period for a fee and ~~to~~ may solicit and advertise the lease or rental of motor vehicles. A motor vehicle lessor having leased motor vehicles, may sell the vehicles upon their return to the lessor after termination or expiration of the lease without obtaining a used motor vehicle dealer license.

Subd. 4a. [LIMITED USED VEHICLE LICENSE.] A limited used vehicle license shall be provided to a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code whose primary business in the transfer of vehicles is to raise funds for the corporation, who acquires vehicles for sale through donation, and who uses a licensed motor vehicle auctioneer to sell vehicles to retail customers. This license does not apply to educational institutions whose primary purpose is to train students in the repair, maintenance, and sale of motor vehicles. A limited used vehicle license allows the organization to accept assignment of vehicles without the requirement to transfer title as provided in section 168A.10 until sold to a retail customer. Limited used vehicle license holders are not entitled to dealer plates, and shall report all vehicles held for resale to the department of public safety in a manner and time prescribed by the department.

Subd. 5a. [CONSIGNMENT SALES.] No person may solicit, accept, offer for sale, or sell motor vehicles for consignment sale unless licensed as a new or used motor vehicle dealer, a motor vehicle wholesaler, or a motor vehicle auctioneer. This requirement does not apply to a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. Incidental means up to a total of ten but no more than ten percent of the items in the posted auction bill are motor vehicles.

Subd. 6. [MOTOR VEHICLE WHOLESALER.] ~~No person shall engage in the business of wholesaling motor vehicles to dealers for resale or shall offer to sell, solicit or advertise the sale of motor vehicles to dealers for resale without first acquiring a motor vehicle wholesaler license. A motor vehicle wholesaler licensee shall be entitled thereunder to~~ may sell, solicit or advertise the sale of motor vehicles at wholesale for resale; provided that a wholesaler may sell, solicit, or advertise the sale of new motor vehicles only to dealers duly licensed to sell the same make of motor vehicles.

Subd. 7. [MOTOR VEHICLE AUCTIONEER.] ~~No person shall engage in the business of auctioning motor vehicles for more than one owner at an auction or shall offer to sell, solicit or advertise the sale of motor vehicles at auction without first acquiring a motor vehicle auctioneer license. A motor vehicle auctioneer licensee shall be entitled thereunder to~~ may sell, solicit and advertise the sale of used motor vehicles belonging to others at auction.

Subd. 7a. [MOTOR VEHICLE BROKER.] (a) ~~No person shall engage in the business of brokering motor vehicles without first acquiring a motor vehicle broker's license. A motor vehicle broker shall provide each buyer or lessee with a written disclosure stating whether the motor vehicle broker receives a fee from the dealers with whom the broker does business. The new or used motor vehicle dealer shall be is the seller of record in all such transactions. The motor vehicle dealer may pay the motor vehicle broker a fee for brokering services rendered. A motor vehicle broker may:~~

(1) advertise and solicit the brokering of new motor vehicles. A motor vehicle broker shall not advertise or make any representations which state, imply, or suggest that the motor vehicle broker itself sells vehicles, is authorized to sell vehicles, or obtains vehicles directly from the motor vehicle manufacturer. All advertising or other solicitations by a motor vehicle broker shall disclose that sales of new motor vehicles are arranged through franchised motor vehicle dealers;

(2) negotiate or quote the sale price or lease terms of motor vehicles;

(3) prepare and deliver documents necessary to the transaction;

(4) accept a down payment not to exceed \$500, but otherwise may not accept payment in full or in part for a motor vehicle unless the payment is in the form of a negotiable instrument payable to the vehicle dealer;

(5) accompany a motor vehicle purchaser or lessee at the time of delivery by the selling dealer of a new motor vehicle; and

(6) be present when warranties and safety features are described by the selling dealer in conjunction with the delivery of a new motor vehicle.

(b) A motor vehicle broker shall not:

(1) engage in the business of selling new or used motor vehicles as described in subdivisions 2 and 3;

(2) execute contracts or official documents for the sale or lease of a new motor vehicle;

(3) describe a new vehicle's warranties or safety features in conjunction with the delivery of a new motor vehicle;

(4) display motor vehicles available for sale or lease; or

(5) perform any dealer preparation of new motor vehicles.

All dealer preparation shall be performed only by a licensed new motor vehicle dealer.

(c) This subdivision does not apply to licensed motor vehicle lessors and shall not be construed to restrict licensed motor vehicle lessors from brokering motor vehicle leases or otherwise engaging in the leasing of motor vehicles in accordance with subdivisions 1 and 4.

Subd. 8. [EXEMPTIONS.] (a) Salespeople and other employees of licensed dealers under this section are not required to obtain individual licenses.

(b) Isolated or occasional sales or leases of new or used motor vehicles are exempt from this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section, is not considered to be in the business of selling or leasing motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means: (1) the sale or lease of a motor vehicle with an actual cash value of \$1,000 or less made by a charitable organization; (2) the sale, purchase, or lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or (3) sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For purposes of this subdivision, charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

Subd. 9. [APPLICATION.] ~~Application for such license and renewal thereof shall~~ All license applications under this section and all license renewals must be made to the registrar of motor vehicles, shall be in writing, and duly verified by oath. The applicant shall submit such information as the registrar may require to administer this section, on blanks provided by the registrar for such purpose in a manner and format prescribed by the registrar.

Subd. 10. [PLACE OF BUSINESS.] (a) All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease ~~shall~~ must be for a minimum term of one year. The building ~~shall~~ must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) a bona fide contract or franchise (1) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale, or auction, or (2) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (3) in effect with the final stage manufacturer of the new type A, B, or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(iii) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. ~~Such~~ The service may be provided through contract with bona fide operators actually engaged in ~~such~~ the services;

(iv) an area either indoors or outdoors to display motor vehicles ~~which~~ that is owned or under lease by the licensee; and

(v) a sign readily viewable by the public that clearly identifying identifies the dealership by name ~~which is readily viewable by the public.~~

(2) For a used motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease ~~shall~~ must be for a minimum term of one year. The building ~~shall~~ must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and

(iii) a sign readily viewable by the public that clearly identifying identifies the dealership by name ~~which is readily viewable by the public.~~

(3) For a motor vehicle lessor, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. Business hours must be conspicuously posted on the place of doing business and readily viewable by the public. The office space must be owned or under lease for a minimum term of one year by the licensee.

(4) For a motor vehicle wholesaler, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. The office space must be owned or under lease for a minimum term of one year by the licensee.

(5) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease ~~shall~~ must be for a minimum term of one year. The building ~~shall~~ must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(6) For a motor vehicle broker, the following: a commercial office space where books, records, and files necessary to conduct business are kept and maintained with personnel available during normal business hours, or an automatic telephone answering service available during normal business hours. A sign, clearly identifying the motor vehicle broker by name and listing the broker's business hours, must be posted in a location and manner readily viewable by a member of the public visiting the office space. The office space must be owned or under lease for a minimum term of one year by the licensee.

(b) If a new or used motor vehicle dealer maintains more than one place of doing business in a county, the separate places ~~shall~~ must be listed on the application. If additional places of business are maintained outside of one county, separate licenses ~~shall~~ must be obtained for each county.

(c) If a motor vehicle lessor, wholesaler, auctioneer, or motor vehicle broker maintains more than one permanent place of doing business, either in one or more counties, the separate places ~~shall~~ must be listed in the application, but only one license ~~shall be~~ is required. If a lessor proposes to sell previously leased or rented vehicles or if a broker proposes to establish an office at a location outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, other than cities of the first class, the lessor or broker must obtain a license for each nonmetropolitan area county in which the lessor's sales are to take place or where the broker proposes to locate an office.

(d) If a motor vehicle dealer, lessor, wholesaler, or motor vehicle broker does not have direct access to a public road or street, any privately owned roadway providing access to a public road or street must be clearly identified and adequately maintained.

(e) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell horse trailers exclusively without obtaining an additional license.

(f) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell recreational equipment exclusively without obtaining an additional license if:

(1) the dealer establishes a temporary place of business for the sale of recreational equipment not more than four times during any calendar year;

(2) each temporary place of business other than an official county fair or the Minnesota state fair within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least four other recreational equipment dealers;

(3) each temporary place of business other than an official county fair outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least one other recreational equipment dealer;

(4) each establishment of a temporary place of business for the sale of recreational equipment is for no more than 12 consecutive days; and

(5) the dealer notifies the registrar of motor vehicles of each temporary place of business for the sale of recreational equipment.

Subd. 11. [LICENSES; FEE.] Application for license or notification of a change of location of a license must include a street address, not a post office box, and is subject to the registrar's approval. Upon the filing of an application for a license and the proper fee, the registrar is authorized, unless the application on its face appears to be invalid, to grant a 90-day temporary license ~~and~~. During ~~said~~ the 90-day period following issuance of temporary license, the registrar shall investigate the fitness of the applicant, inspect the site and make ~~such~~ other investigation as ~~is~~ necessary to insure compliance with the licensing law. The registrar may extend the temporary license 30 days. At the end of the period of investigation the license ~~shall~~ must either be granted or denied. The license must be denied if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling

stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991, as amended through December 31, 1984, or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery. The license must also be denied if within the previous year the applicant has been denied a license. A license must also be denied if the applicant has had a dealer license revoked within the previous ten years. If the application is approved, the registrar shall license the applicant as a motor vehicle dealer for ~~the remainder of the calendar year; one year from the date the temporary license is granted~~ and issue a certificate of license ~~therefor as the registrar may provide upon which shall be placed~~ that must include a distinguishing number of identification of ~~such~~ the dealer. The license must be displayed in a prominent place in the licensed location. Each initial application for a license ~~shall~~ must be accompanied by a fee of \$50 in addition to the annual fee. The annual fee shall be \$100. All initial fees and annual fees ~~shall~~ must be paid into the state treasury and credited to the general fund. ~~If the initial application is received by the registrar after July 1 of any year, the first annual fee shall be reduced by one-half.~~

Subd. 12. [GROUNDS FOR SUSPENSION AND REVOCATION.] (a) A license may be suspended or revoked by the registrar of motor vehicles upon proof satisfactory to the registrar of any of the following:

- (1) violations of any of the provisions of this chapter or chapter 168A, 297B, 325E, or 325F;
- (2) violation of or refusal to comply with the requests and order of the registrar;
- (3) failure to make or provide to the registrar all listings, notices, and reports required by the registrar;
- (4) failure to pay to the registrar all taxes, fees, and arrears due from and by such dealer;
- (5) failure to duly apply for renewal of license provided for herein in this section;
- (6) revocation of previous license, of which the records of the registrar relating ~~thereto shall be~~ to the revocation are prima facie evidence of ~~such~~ the previous revocation;
- (7) failure of continued occupancy of an established place of business;
- (8) sale of a new and unused current model motor vehicle other than the make of motor vehicle described in the franchise or contract filed with the original application or renewal thereof, without permission from the registrar;
- (9) sale of a new and unused current model motor vehicle to anyone except for consumer use, or to a dealer duly licensed to sell the same make of motor vehicle;
- (10) material misstatement or misrepresentation in application for license or renewal ~~thereof~~;
- (11) having advertised, printed, displayed, published, distributed, broadcast or televised or caused or permitted to be advertised, printed, displayed, published, distributed, broadcast or televised in any manner whatsoever, or having made orally any statement or representation with regard to the sale, lease or financing of motor vehicles ~~which that~~ is false, deceptive or misleading;
- (12) having been convicted of violating section 325F.69, or having been enjoined due to a violation of section 325F.69;
- (13) having been convicted of violating the Minnesota Odometer Law, section 325E.14, 325E.15, or 325E.16, or the federal odometer law, United States Code, title 15, sections 1981 to 1991, ~~as amended through December 31, 1984~~;
- (14) having been convicted of violating the sale of motor vehicles on Sunday law, section 168.275;

(15) having been convicted under section 609.53 of receiving or selling stolen vehicles; or

(16) having pleaded guilty, entered a plea of nolo contendere or no contest, or having been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery.

(b) With respect to paragraph (a), clauses (12), (13), (15), and (16), the registrar may suspend or revoke a license immediately upon receiving certification of conviction or permanent injunction. A hearing is required under subdivision 13 within 30 days following a summary suspension or revocation under this paragraph, if a hearing is requested by the licensee.

Subd. 12a. [GROUNDS FOR CANCELLATION; NOTICE REQUIRED.] (a) A license may be canceled by the registrar after notice to the dealer, upon satisfactory proof that the dealer (1) has failed to provide or maintain the required surety bond, (2) has failed to provide or maintain the insurance required under chapter 65B, or (3) is no longer operating at the dealer's licensed location.

(b) Surety companies and insurers providing required coverages shall promptly notify the registrar upon canceling any surety bond or required insurance. The registrar shall notify the dealer of the reason or reasons for cancellation before the cancellation occurs.

Subd. 13. [SUSPENSION AND REVOCATION; HEARING.] (a) The registrar of motor vehicles, upon the registrar's own motion or upon the complaint of another, shall prepare and cause to be served upon the licensee complained of, a written notice or complaint setting forth, in substance, the violations charged, a statement of the deficiencies which exist and any corrective action deemed appropriate. ~~Said~~ The notice ~~shall~~ must include a statement that in the event corrective action is deemed appropriate and corrective action is not taken, the dealer's license may be suspended or revoked. The notice ~~shall~~ must require the licensee to appear at the time and place fixed ~~therein~~ in the notice before the registrar, and show cause why the license should not be suspended or revoked.

(b) The registrar shall, at the time and place fixed in the notice, proceed to hear and determine the matter on its merits. All hearings ~~shall~~ must be conducted ~~in accordance with the provisions of~~ according to chapter 14, except that the provisions of section 14.50, ~~shall~~ do not apply. The registrar ~~is authorized to~~ may subpoena witnesses and administer oaths. If the registrar ~~shall find~~ finds the existence of any of the causes for suspension or revocation as set forth in subdivision 12 and ~~determine~~ determines that corrective action has not been taken or that corrective action will not prevent repetition of the violations charged or that the public interest will not be served by corrective action and the licensee's license should be suspended or revoked, the registrar shall issue a written order setting out the decision, ~~and~~. A copy of ~~such~~ the order ~~shall~~ must be served upon ~~such~~ the licensee in the manner provided by law for the service of summons in a civil action. On finding that the dealer has violated any of the provisions of this section but that the nature of ~~said~~ the violation or the circumstances ~~thereof~~ are such that a suspension of the license would be adequate, the registrar may, instead of revoking the license suspend it for a period not exceeding 90 days. On finding that the violation does not justify a suspension only, the registrar shall revoke the license. Upon a suspension or revocation, ~~if it be~~ of the license of a new or used motor vehicle dealer, ~~said~~ the licensee shall immediately return to the registrar all number plates, including any "in-transit" plates and temporary permits, in its possession and its dealer's license certificate.

Subd. 14. [APPEAL.] Any party or person aggrieved by ~~such an~~ order of suspension, revocation or imposition of a penalty may seek judicial review ~~pursuant to the provisions of~~ according to chapter 14.

Subd. 15. [ENFORCEMENT.] The registrar ~~is hereby authorized to~~ shall enforce this section and ~~is directed to~~ may appoint ~~under the registrar's hand not less than at least seven persons amongst~~ of the registrar's ~~several~~ employees; as inspectors and investigators ~~and who when so appointed, shall~~. The inspectors and investigators have full authority to enforce this section throughout the state. The registrar, the registrar's inspectors or investigators, when traveling or otherwise pursuing their duties outside the office of the registrar, shall be paid for their actual expenses incurred out of the same funds as other employees of the registrar of motor vehicles. The inspectors shall assist licensees in compliance with laws governing licensees ~~and administered hereunder~~.

Subd. 16. [DEALER PLATES: DISTINGUISHING NUMBER, FEE, TAX, USE.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is \$75 per ~~calendar~~ registration year, of which \$60 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the dealer shall pay the registrar a fee of \$25 and a sales tax on motor vehicles of \$15 per ~~calendar~~ registration year. The registrar shall deposit the tax in the state treasury ~~and it shall~~ to be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts vehicle, may be driven upon the streets and highways of this state:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer;

(3) for demonstration purposes by any prospective buyer ~~thereof~~ for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under ~~the provisions of clause (2) of the preceding sentence~~ before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Subd. 17. [IN-TRANSIT PLATES; FEE.] Every licensed dealer in motor vehicles may make application upon a blank provided by the registrar for that purpose for dealer in-transit license plates for use upon all new or used motor vehicles being transported from the dealer's source of supply, or other place of storage, to the dealer's place of business, or to another place of storage, or from one dealer to another. The registrar shall then issue to the dealer the number of plates as the dealer may request, upon the payment by the dealer to the registrar of the sum of \$5 per plate per ~~calendar~~ registration year. The registrar may issue in-transit plates, upon the payment of the sum of \$5 to the registrar, to dealers duly licensed in other states or provinces upon information furnished in the manner as the registrar may prescribe, and which satisfies the registrar that persons or companies applying ~~therefor~~ for the plates are duly licensed dealers under the laws of the states or provinces.

Subd. 18. [TESTIMONIAL POWERS.] The registrar ~~shall have, and is hereby granted full authority to~~ may issue subpoenas requiring the attendance of witnesses before the registrar, production of books, papers, and other documents, articles, or instruments, and compel the disclosure by ~~such~~ witnesses of all facts known to them relative to the matter under investigation, and ~~shall have full authority to~~ may administer oaths and to take testimony. All parties disobeying the orders of subpoenas of the registrar ~~shall be~~ are guilty of contempt, as in proceedings in district courts of the state and may be punished in like manner.

Subd. 19. [VIOLATIONS.] Any person, copartnership, or corporation, domestic or foreign, and any officer, or director, or employee of a corporation, domestic or foreign, who ~~shall violate or neglect, fail or refuse to comply with any of the provisions of this section shall be~~ violates this section is guilty of a misdemeanor.

Subd. 19a. [INJUNCTION.] The commissioner or a county attorney may institute a civil action in the name of the state in district court for an injunction prohibiting a violation of this section and for civil penalties not to exceed \$1,000 for each violation of subdivision 2, 3, 4, 5a, 6, 7, or 7a. The court, upon proper proof that the defendant has

engaged in a practice prohibited by this section, may enjoin the future commission of that practice and award civil penalties for violations of subdivision 2, 3, 4, 5a, 6, 7, or 7a. It is not a defense to an action that the state may have adequate remedies at law. Service of process must be as in any other civil suit, except that where a defendant in the action is a natural person or firm residing outside the state, or is a foreign corporation, service of process may also be made by personal service outside the state; in the manner provided by section 5.25; or as the court may direct. Process is valid if it satisfies the requirements of due process of law, whether or not the defendant is doing business in Minnesota regularly or habitually. Nothing in this subdivision limits the rights or remedies otherwise available to persons under common law or other statutes of this state.

Subd. 20. [APPLICATION TO SALE OF OTHER VEHICLES.] (a) This section does not apply:

(1) to any person, copartnership, or corporation engaged in the business of selling vehicles designed to operate exclusively over snow, motor scooters, motorized wheelchairs, utility trailers, farm wagons, farm trailers, or farm tractors or other farm implements, whether self-propelled or not and even though a vehicle listed in this clause may be equipped with a trailer hitch; or

(2) to any person licensed as a real estate broker or salesperson pursuant to chapter 82, who engages in the business of selling, who offers to sell, or who solicits or advertises the sale of manufactured homes affixed to land.

(b) However, this section does apply to a person, copartnership, or corporation described in paragraph (a) who is also engaged in the business of selling other motor vehicles or manufactured homes within the provisions of this section.

(c) As used in this subdivision, "utility trailer" means a motorless vehicle, other than a boat trailer or snowmobile trailer, equipped with one or two wheels, having a gross vehicle weight of 4,000 pounds or less, and used for carrying property on its own structure while being drawn by a motor vehicle.

Subd. 22. [DEALER LICENSE FOR TRAILERS, MOTORIZED BICYCLES; PLATES, FEES; EXEMPTIONS.] Any person, copartnership, or corporation having a permanent enclosed commercial building or structure either owned in fee or leased and engaged in the business, either exclusively or in addition to any other occupation, of selling motorized bicycles, boat trailers, horse trailers, or snowmobile trailers, may apply to the registrar for a dealer's license. Upon payment of a \$10 fee the registrar shall license the applicant as a dealer for the remainder of the calendar year in which the application was received. ~~Thereafter~~ The license may be renewed on or before the second day of January of each succeeding year by payment of a fee of \$10. The registrar shall issue to each dealer, upon request of the dealer, dealer plates as provided in subdivision 16 upon payment of \$5 for each plate, and the plates may be used in the same manner and for the same purposes as is provided in subdivision 16. Except for motorized bicycle dealers, the registrar shall also issue to the dealer, upon request of the dealer, "in-transit" plates as provided in subdivision 17 upon payment of a fee of \$5 for each plate. This subdivision ~~shall does not be construed to~~ shall does not be construed to abrogate any of the provisions of this section ~~as the same relates~~ relating to the duties, responsibilities, and requirements of persons, copartnerships, or corporations engaged in the business, either exclusively or in addition to other occupations, of selling motor vehicles or manufactured homes, except that a seller of boat trailers, utility trailers, or snowmobile trailers who is licensed under this subdivision is not required to have a contract or franchise with a manufacturer or distributor of new boat trailers, utility trailers, or new snowmobile trailers the seller proposes to sell, broker, wholesale, or auction. This section ~~shall does not be construed to~~ shall does not be construed to require a manufacturer of snowmobile trailers whose manufacturing facility is located outside of the metropolitan area as defined in section 473.121 to have a dealer's license to transport the snowmobile trailers to dealers or retail outlets in the state.

Subd. 23. [REGISTRAR MAY FILE CHARGES.] The registrar or the registrar's appointed inspectors may file charges with the county attorney against any licensee who violates any of the provisions of this section, including but not limited to, the grounds for suspension or revocation set out in subdivision 12. ~~Any violation of this section is a misdemeanor.~~

Subd. 24. [BONDS.] All persons licensed ~~hereunder~~ according to this section shall keep in full force and effect a bond with a corporate surety to be approved by the registrar of motor vehicles in the following amounts ~~as herein provided~~; in the case of boat trailer, snowmobile trailer, horse trailer or motorized bicycle dealers in the amount of \$5,000; and as to all other persons in the amount of \$50,000. The bond ~~shall~~ must be conditioned on the faithful performance by the licensee of the obligations imposed by the laws of this state, including the conduct required of a licensee by this section and other sections governing the sale or transfer of motor vehicles, and the payment of all taxes, license fees, and penalties. The bond ~~shall~~ must be for the benefit of the state of Minnesota and any transferor, seller, or purchaser of a motor vehicle for any monetary loss caused by failure of the licensee to meet the obligations enumerated above. Proceedings on the forfeiture of the bonds ~~shall~~ must be commenced in the district court of the county wherein the business of the licensed person was carried on, or if in more than one county, the county in which the offense occurred. This subdivision does not apply to a used vehicle parts dealer or a scrap metal processor.

Subd. 25. [PREEMPTION OF LOCAL ORDINANCES.] ~~It is the intent and purpose of this section to establish Subdivision 24 establishes a uniform statewide system of bonding motor vehicle dealers and the provisions of. This section shall supersede and preempt subdivision supersedes and preempts~~ all bonding requirements imposed by any local government unit.

Subd. 26. [ADVERTISING DISCLOSURE.] All advertising by a motor vehicle dealer must disclose that the vehicle is being offered for sale by a dealer through use of the dealership name, the term "dealer," or the abbreviation "DLR." A classified advertisement in a print medium must also include the dealer's license number.

Subd. 27. [RULES.] The registrar may adopt rules under chapter 14 to govern the issuance and regulation of dealer licenses and dealer plates.

Sec. 10. Minnesota Statutes 2000, section 168.31, subdivision 4, is amended to read:

Subd. 4. [INSTALLMENTS.] If the tax for a vehicle assessed under section 168.013, subdivision 1c, 1d, 1e, or 1g, amounts to more than \$400, the owner may pay the tax by installments. The owner shall tender with the application for registration one-third of the annual tax due or \$400, whichever is greater, plus any penalties or arrears, plus a fee of \$10. Instead of this fee, the applicant may furnish a bond, bank letter of credit, or certificate of deposit approved by the registrar of motor vehicles, for the total of the tax still due. The amount of the bond, letter of credit, or certificate of deposit may include any penalties assessed. The bond, letter of credit, or certificate of deposit must be for the benefit of the state for monetary loss caused by failure of the vehicle owner to pay delinquent license fees and penalties. The remainder of the tax due must be paid in two equal installments; the due date of the first installment is the first day of the fifth month of the registration period for which the tax is assessed and the second installment is due on the first day of the ninth month of the registration period for which the tax is assessed. When the applicant elects to pay the administrative fee, the registrar shall issue to the applicant ~~distinctive~~ validation stickers indicating the expiration date of a registration. When the applicant elects to furnish a bond, bank letter, or letter of deposit, the registrar shall issue regular validation stickers for the registration year. If an owner of a vehicle fails to pay an installment on or before its due date, the vehicle must not be used on the public streets or highways in this state until the installment or installments of the tax remaining due on the vehicle have been paid in full for the licensed year together with a penalty at the rate of \$1 per day for the remainder of the month in which the balance of the tax becomes due and \$4 a month for each succeeding month or fraction of a month during which the balance of the tax remains unpaid. Upon the payment of the balance of the tax and the penalties, the registrar shall issue a registration certificate to the owner of the vehicle in the manner provided by law. The registrar shall deny installment payment privileges provided in this subdivision in the subsequent year to any owner on any or all vehicles of the owner who during the current year fails to pay any installment due within one month after the due date.

Sec. 11. Minnesota Statutes 2000, section 168.33, subdivision 6, is amended to read:

Subd. 6. [APPLICATION FORMS FURNISHED.] The registrar shall ~~furnish, from time to time, to those deputy registrars not equipped with electronic transmission technology, forms for listing and for applications for registration, as provided herein, and shall, before January first in each year, furnish to those deputy registrars, and to such others as the registrar shall deem advisable, charts or lists setting forth the tax to which each motor vehicle~~

~~is subject provide, in a manner and format prescribed by the registrar, necessary forms and information to deputy registrars.~~ The registrar and deputy registrars shall immediately destroy all number plates surrendered and shall cancel all certificates ~~so~~ surrendered.

Sec. 12. Minnesota Statutes 2000, section 168.33, is amended by adding a subdivision to read:

Subd. 9. [RULES.] The commissioner of public safety may adopt rules for administering and enforcing this section.

Sec. 13. Minnesota Statutes 2000, section 168A.01, subdivision 2, is amended to read:

Subd. 2. [DEALER.] "Dealer" has the meaning given it in section 168.27, ~~subdivision 1.~~

Sec. 14. Minnesota Statutes 2000, section 168A.01, is amended by adding a subdivision to read:

Subd. 2a. [DELIVER.] "Deliver" means to transmit electronically or by other means approved by the registrar.

Sec. 15. Minnesota Statutes 2000, section 168A.01, subdivision 24, is amended to read:

Subd. 24. [VEHICLE.] (a) "Vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, ~~excepting.~~

(b) The term does not include:

(1) devices moved by human power or used exclusively upon stationary rails or tracks, ~~but including; or~~

(2) vehicles not originally constructed primarily for use on public roads and highways.

(c) The term does include motorized bicycles as defined in section 168.011, subdivision 27.

Sec. 16. Minnesota Statutes 2000, section 168A.04, subdivision 5, is amended to read:

Subd. 5. [SPECIALLY CONSTRUCTED OR RECONSTRUCTED VEHICLE.] Except as provided in subdivision 6, if the application refers to a specially constructed vehicle or a reconstructed vehicle, the application shall so state and shall contain or be accompanied by:

(1) any information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of security interests in it;

(2) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(3) at the time of application, a written certification to the department that the vehicle to be titled meets the requirements of chapter 169 for vehicles in its class regarding safety and acceptability to operate on public roads and highways.

Sec. 17. Minnesota Statutes 2000, section 168A.05, subdivision 5a, is amended to read:

Subd. 5a. [POLLUTION CONTROL EQUIPMENT DISCLOSURE.] The certificate of title shall contain a ~~form for~~ disclosure by the transferor of the condition of the vehicle's pollution control equipment as required by section 325E.0951. The disclosure ~~form~~ must be in a format as prescribed by the registrar.

Sec. 18. Minnesota Statutes 2000, section 168A.09, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION; FORM OF DUPLICATE.] In the event a certificate of title is lost, stolen, mutilated, or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate may make application to the department or deputy registrar for a duplicate ~~on~~ in a form format prescribed by the department. The department shall issue a duplicate certificate of title if satisfied that the applicant is entitled thereto. The duplicate certificate of title shall be plainly marked as a duplicate and mailed or delivered to the owner. The department shall indicate in its records that a duplicate has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and form format prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title shall contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

Sec. 19. Minnesota Statutes 2000, section 168A.11, subdivision 2, is amended to read:

Subd. 2. [PURCHASE RECEIPT.] A dealer, on buying a vehicle for which the seller does not present a certificate of title, shall at the time of taking delivery of the vehicle execute ~~in triplicate~~ a purchase receipt for the vehicle in a form format designated by the department, and deliver ~~one~~ a copy to the seller. ~~When a vehicle purchased by a dealer has not been resold after 21 days, the dealer shall mail, transmit, or deliver one copy of the receipt to the department. In a format and at a time prescribed by the registrar, the dealer shall notify the registrar that the vehicle is being held for resale by the dealer.~~

Sec. 20. Minnesota Statutes 2000, section 168A.12, subdivision 1, is amended to read:

Subdivision 1. [LAST CERTIFICATE TO DEPARTMENT; APPLICATION.] If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in subdivision 2, promptly mail or deliver to the department the last certificate of title, if available, proof of the transfer, and an application for a new certificate in the form format the department prescribes.

Sec. 21. Minnesota Statutes 2000, section 168A.12, subdivision 2, is amended to read:

Subd. 2. [OWNER'S INTEREST TERMINATED OR VEHICLE SOLD BY SECURED PARTY.] If the interest of the owner is terminated or the vehicle is sold under a security agreement by a secured party named in the certificate of title, the transferee shall promptly mail or deliver to the department the last certificate of title, if available, an application for a new certificate in the form format the department prescribes, and an affidavit made by or on behalf of the secured party that the interest of the owner was lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If the secured party succeeds to the interest of the owner and holds the vehicle for resale, the secured party need not secure a new certificate of title provided that a notice thereof in form a format designated by the department is mailed or delivered by the secured party to the department in duplicate within 48 hours, but upon transfer to another person the secured party shall promptly execute assignment and warranty of title and mail or deliver to the transferee or the department the certificate, if available, the affidavit, and other documents required to be sent to the department by the transferee.

Sec. 22. Minnesota Statutes 2000, section 168A.15, is amended by adding a subdivision to read:

Subd. 4. [MOTORCYCLE WITH NEW ENGINE.] (a) If the commissioner does not require that a new or amended title be issued and stamped as reconstructed or otherwise under this chapter for an automobile being operated with an engine that is not its original engine, then the commissioner shall not require that title issued for a motorcycle being operated with an engine that is not its original engine be stamped or otherwise labeled as reconstructed or otherwise.

(b) This subdivision does not prevent the commissioner from requiring that a new application be completed according to section 168A.04 and be filed with the commissioner. Upon receipt of the completed application and the old title, and subject to section 168A.05, subdivision 1, the commissioner shall issue another certificate of title, which must list the engine number, for the motorcycle with the nonoriginal engine.

Sec. 23. Minnesota Statutes 2000, section 168A.154, is amended to read:

168A.154 [SALVAGE VEHICLE TAKEN OUT OF STATE.]

A dealer who sells a salvage vehicle to a buyer who intends to remove the vehicle from the state shall report the sale within ten days to the department ~~on~~ in a form format prescribed by the department.

Sec. 24. Minnesota Statutes 2000, section 168A.18, is amended to read:

168A.18 [DUTIES OF PARTIES RELATING TO SECURITY INTEREST.]

If an owner creates a security interest in a vehicle:

(1) The owner shall immediately execute the application in the space provided therefor on the certificate of title, or ~~on~~ in a separate form format the department prescribes, to name the secured party on the certificate, showing the name and address of the secured party, and cause the certificate, application, and the required fees and taxes to be delivered to the secured party.

(2) The secured party shall immediately cause the certificate, application, and the required fees and taxes to be mailed or delivered to the department.

(3) A second or subordinate secured party does not affect the rights of the first secured party under a security agreement.

(4) Upon receipt of the certificate of title, application, and the required fees and taxes, the department shall issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the owner. The secured party or parties shall be ~~issued a notification~~ notified that the security interest has been recorded.

Sec. 25. Minnesota Statutes 2000, section 168A.19, subdivision 2, is amended to read:

Subd. 2. [ASSIGNEE NAMED AS SECURED PARTY.] The assignee may, but need not to perfect the assignment, have the certificate of title endorsed or issued with the assignee named as secured party, upon delivering to the department the certificate and an assignment by the secured party named in the certificate in the ~~form~~ format the department prescribes together with the required fee.

Sec. 26. Minnesota Statutes 2000, section 168A.20, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE WITH PRIOR SECURED PARTY; RELEASE.] Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, execute a release in the ~~form~~ format the department prescribes and deliver the release to the owner or any person who delivers to the secured party an authorization from the owner to receive it. The secured party in possession of the certificate of title shall either deliver the certificate to the owner, or the person authorized by the owner, for delivery to the department, or upon receipt of the release, mail or deliver it with the certificate to the department, which shall release the subordinate secured party's rights on the certificate or issue a new certificate.

Sec. 27. Minnesota Statutes 2000, section 168A.20, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE WITH OWNER.] Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, the secured party shall within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, execute a release of security interest ~~on~~ in the form format prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release. The secured party may notify the registrar of the satisfaction of lien in a manner prescribed by the department.

Sec. 28. Minnesota Statutes 2000, section 168A.20, subdivision 4, is amended to read:

Subd. 4. [SATISFACTION OF LIEN FOR CHILD SUPPORT; RELEASE.] If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the court, a child support magistrate, the public authority, or the obligee, within 15 days, or seven days if satisfied by a dealer licensed under section 168.27, subdivision 2, 3, or 4, the secured party shall execute a release of security interest ~~on~~ in the ~~form~~ format prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Sec. 29. Minnesota Statutes 2000, section 168A.24, subdivision 1, is amended to read:

Subdivision 1. [FORMS.] The department shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the provisions of sections 168A.01 to 168A.31 and shall determine the format in which the forms will appear.

Sec. 30. Minnesota Statutes 2000, section 168C.02, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For purposes of ~~Laws 1976, this chapter 199,~~ the terms defined in this section ~~shall~~ have the meanings given them.

Sec. 31. Minnesota Statutes 2000, section 168C.02, subdivision 5, is amended to read:

Subd. 5. [LICENSE PLATE.] "License ~~plate~~" means a tag, plate, seal, sticker, or other device ~~which~~ that can be securely attached to a bicycle and that is issued upon registration of the bicycle.

Sec. 32. Minnesota Statutes 2000, section 168C.03, is amended to read:

168C.03 [REGISTRATION APPLICATION.]

On or after March 1, 1977 any owner of a bicycle may apply for registration of the bicycle to the commissioner, to any deputy registrar of motor vehicles acting pursuant to section 168.33, or to any deputy registrar of bicycles appointed by the commissioner pursuant to section 168C.11. Applications ~~shall contain the name and address of the owner, the signature of the owner, the name and address of the person from whom purchased, the date of purchase, the date of registration, the make, serial number, and any additional information as the commissioner may require. Applications shall be on a three-part form provided by the commissioner. The original shall be retained by or immediately forwarded to the commissioner, the second copy shall be retained by the purchaser and the third copy shall be retained for one year by the deputy registrar, if any, who received the application must be in a format prescribed by the commissioner and contain information required by the commissioner to license a bicycle.~~ The commissioner shall designate a number to be stamped or otherwise permanently affixed on the frames of bicycles on which no serial number can be found, or on which the number is illegible or insufficient for identification purposes.

Sec. 33. Minnesota Statutes 2000, section 168C.04, subdivision 1, is amended to read:

Subdivision 1. [THREE-YEAR REGISTRATION FEE; PROCEDURES.] The registration fee for bicycles ~~shall~~ be ~~is~~ \$9 after July 1, 1991. These fees ~~shall~~ must be paid at the time of registration. The fees, and any donations in excess of the fees, ~~must~~ be deposited in a bicycle transportation account in the special revenue fund. Proof of purchase ownership is required for registration. Bicycles lacking proof of purchase ownership may be registered if there is no evidence that the bicycle is stolen. ~~However, the registration record must be marked to indicate that no proof of purchase was provided.~~ The registration is valid for three calendar years. A person registering a bicycle may add an additional amount to the registration fee, and all amounts so added must be deposited in the same manner as registration fees. A person registering a bicycle ~~must~~, at the time of registration, be informed that a registrant may add an additional amount to the fee and that all such additional amounts will be used for the purposes specified in subdivision 2.

Sec. 34. Minnesota Statutes 2000, section 168C.05, is amended to read:

168C.05 [REPORT OF TRANSFER.]

Every person who sells or transfers ownership of any bicycle registered pursuant to ~~Laws 1976, this chapter 199~~ shall report the sale or transfer to the commissioner, indicating the name and address of the person to whom the bicycle was sold or transferred. ~~The report shall be made~~ within 14 days of the sale or transfer. The report of sale must include the information required by the commissioner and be in the format prescribed by the commissioner.

Sec. 35. Minnesota Statutes 2000, section 168C.06, is amended to read:

168C.06 [NOTIFICATION OF CHANGE OF ADDRESS.]

Upon moving or change of address, the owner of a bicycle registered pursuant to ~~Laws 1976, this chapter 199~~ shall notify the commissioner in ~~writing the format and manner prescribed by the commissioner~~ of the new address within 14 days.

Sec. 36. Minnesota Statutes 2000, section 168C.07, is amended to read:

168C.07 [LICENSE PLATES.]

The commissioner shall provide to the registrant a suitable registration card ~~having that~~ has the registration number stamped ~~thereon on the card and indicating that indicates~~ the date of registration, the make and serial number of the bicycle, the owner's name and address, and any additional information as the commissioner may require. The commissioner shall retain information concerning each registration ~~shall be retained by the commissioner~~. The commissioner shall issue a license ~~plate~~, which ~~shall must~~ be securely attached to the bicycle covered by the registration. Upon a satisfactory showing that the license ~~plate~~ or registration card has been lost or destroyed, the commissioner shall issue a replacement license ~~plate~~ or registration card upon payment of a fee of \$1. All fees so collected ~~shall must~~ be deposited to the general fund.

Sec. 37. Minnesota Statutes 2000, section 168C.08, is amended to read:

168C.08 [ALTERING SERIAL NUMBER; PENALTY.]

~~No~~ A person shall ~~not~~ willfully remove, destroy, mutilate or otherwise alter the serial number or equivalent number of any bicycle designated by the commissioner pursuant to section 168C.03. ~~No~~ A person shall ~~not~~ willfully remove, destroy, mutilate, or otherwise alter any license ~~plate~~ during the time in which the license ~~plate~~ is operative. Any person who violates ~~the provisions of~~ this section is guilty of a misdemeanor.

Sec. 38. Minnesota Statutes 2000, section 168C.09, is amended to read:

168C.09 [THEFT; PENALTY.]

Subdivision 1. [REPORTS; ENTRY INTO CRIME INFORMATION CENTER.] The local law enforcement agency shall report the theft of all bicycles registered pursuant to ~~Laws 1976, this chapter 199~~ to the department of public safety within five days. Reports of the stolen bicycles ~~shall must~~ be entered in the Minnesota crime information center of the department of public safety. When the stolen bicycle has been recovered by a local law enforcement agency, the agency shall report the recovery to the department of public safety within five days of the recovery in the format and manner prescribed by the commissioner.

Subd. 2. [RECORDS.] The commissioner shall maintain a record of all bicycles registered pursuant to ~~Laws 1976, this chapter 199~~ in the state in an automated system. The records ~~shall must~~ be available to all authorized law enforcement agencies through the Minnesota crime information center.

Subd. 3. [VIOLATION AND PENALTY.] Any person who knowingly sells or offers for sale a bicycle registered under ~~Laws 1976, this chapter 199~~ which that is not owned by that person or a family member is guilty of theft and subject to punishment under section 609.52, subdivision 3.

Sec. 39. Minnesota Statutes 2000, section 168C.11, is amended to read:

168C.11 [DEPUTY REGISTRARS OF BICYCLES.]

Subdivision 1. [APPOINTMENT.] Subject to ~~the provisions of~~ subdivision 2, the commissioner shall appoint as deputy registrars of bicycles any bicycle dealer, or agent or employee ~~thereof of the dealer~~, or agent or employee of a nonprofit organization promoting bicycling or in whose activities bicycling plays an integral part, or an agent or employee designated by a municipality that sells bicycles at public auction who applies for appointment in a manner prescribed by the commissioner; provided that concurrently there may be no more than one deputy for each separate place of business of a bicycle dealer. Deputy registrars of bicycles shall act as agents of the commissioner and may accept registrations as provided in ~~Laws 1976, this chapter 199, except that no deputy registrar of bicycles shall be required to register bicycles sold by other bicycle dealers.~~ The commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles may charge and retain an additional \$1 per registration granted for their services. In the case of a deputy registrar of motor vehicles, the \$1 ~~shall~~ must be deposited in the treasury of the place for which the deputy registrar is appointed, or if not a public official the deputy registrar shall retain the filing fee. Other registration fees collected by the commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles ~~shall~~ must be processed, accounted for, and transmitted to the state treasurer as required by the commissioner.

Subd. 2. [DENIAL, SUSPENSION OR REVOCATION OF APPOINTMENT.] The commissioner, without prior notice or hearing, may issue an order denying, suspending, or revoking any appointment made or applied for pursuant to this section upon finding that the applicant or deputy registrar of bicycles has violated or failed to comply with any provision of ~~Laws 1976, this chapter 199~~ or any rule adopted ~~hereunder under the authority of this chapter.~~ Upon the entry of such an order, the commissioner shall promptly serve a copy ~~thereof of the order~~ on the applicant or deputy registrar of bicycles. The order ~~shall~~ must state the reasons for its issuance and, in the case of a suspension or revocation of appointment, ~~shall~~ must specify that upon the written request of the deputy registrar of bicycles the matter will be set for hearing within 15 days after the receipt of the request; ~~provided, that with the consent of the deputy registrar of bicycles a hearing may be held subsequent to the expiration of the 15-day period specified herein.~~ If no hearing is requested, the order ~~will remain~~ remains in effect until it is modified or vacated by the commissioner. If a hearing is requested, the commissioner, after notice and hearing in accordance with ~~the provisions of chapter 14,~~ shall affirm, modify, or vacate the order.

Sec. 40. Minnesota Statutes 2000, section 168C.12, is amended to read:

168C.12 [ADMINISTRATION; RULES.]

The commissioner shall adopt rules for the implementation and administration of ~~Laws 1976, this chapter 199 no later than March 1, 1977. The commissioner shall begin to accept registrations and implement Laws 1976, chapter 199 on March 1, 1977. Nothing herein shall be construed to prevent in this chapter prevents~~ the commissioner from contracting any service provided under ~~Laws 1976, this chapter 199~~ to any private person or entity or other unit of government.

Sec. 41. Minnesota Statutes 2000, section 168C.13, subdivision 1, is amended to read:

Subdivision 1. [BICYCLE REGISTRATION POWERS OF POLITICAL SUBDIVISION.] ~~After February 28, 1977, No political subdivision may license or register bicycles except as a deputy registrar pursuant to section 168C.11, subdivision 1. However, any political subdivision which had such power prior to that had the power of a deputy registrar before March 1, 1977, may thereafter require that any or all bicycles used or ridden upon any highway, street, alley, sidewalk, or other public way, or property within the boundaries thereof shall of the public~~

way, must be registered. Applications for new registrations required pursuant to this subdivision shall must be made to the commissioner in the same manner and subject to the same rules, fees, and penalties as those made voluntarily pursuant to section 168C.03.

Sec. 42. Minnesota Statutes 2000, section 169.06, is amended by adding a subdivision to read:

Subd. 9. [AFFIRMATIVE DEFENSE RELATING TO UNCHANGING TRAFFIC CONTROL SIGNAL.] (a) A person operating a motorcycle who violates subdivision 4 by entering or crossing an intersection controlled by a traffic-control signal against a red light has an affirmative defense to that charge if the person establishes all of the following conditions:

(1) the motorcycle has been brought to a complete stop;

(2) the traffic-control signal continues to show a red light for an unreasonable time;

(3) the traffic-control signal is apparently malfunctioning or, if programmed or engineered to change to a green light only after detecting the approach of a motor vehicle, the signal has apparently failed to detect the arrival of the motorcycle; and

(4) no motor vehicle or person is approaching on the street or highway to be crossed or entered or is so far away from the intersection that it does not constitute an immediate hazard.

(b) The affirmative defense in this subdivision applies only to a violation for entering or crossing an intersection controlled by a traffic-control signal against a red light and does not provide a defense to any other civil or criminal action.

Sec. 43. Minnesota Statutes 2000, section 169.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train; or

(2) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when a human flagger signals the approach or passage of a train or when a crossing gate is lowered warning of the immediate approach or passage of a railroad train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 44. Minnesota Statutes 2000, section 169.28, subdivision 1, is amended to read:

Subdivision 1. [STOP REQUIRED.] (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle carrying explosive substances or flammable liquids, or liquid gas under pressure as a cargo or part of a cargo that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than ten 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching train, and for signals indicating the approach of a train, except as hereinafter provided, and shall not proceed until safe to do so. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

Sec. 45. Minnesota Statutes 2001 Supplement, section 169.781, subdivision 2, is amended to read:

Subd. 2. [INSPECTION REQUIRED.] It is unlawful for a person to operate or permit the operation of:

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

(2) special mobile equipment as defined in section 168.011, subdivision 22, and which is self-propelled, if it is mounted on a commercial motor vehicle chassis, ~~including, but not limited to, a mobile crane, a water well-drilling rig, and a concrete-placement pumper,~~

unless the vehicle displays a valid safety inspection decal issued by an inspector certified by the commissioner, or the vehicle carries (1) proof that the vehicle complies with federal motor vehicle inspection requirements for vehicles in interstate commerce, and (2) a certificate of compliance with federal requirements issued by the commissioner under subdivision 9.

Sec. 46. Minnesota Statutes 2001 Supplement, section 169.79, subdivision 3, is amended to read:

Subd. 3. [~~MOTORCYCLE REAR DISPLAY OF SINGLE PLATE.~~] If the vehicle is a motorcycle, motor scooter, motorized bicycle, motorcycle sidecar, trailer registered at greater than 3,000 pounds gross vehicle weight (GVW), semitrailer, or vehicle displaying a dealer plate, then one license plate must be displayed on the rear of the vehicle.

Sec. 47. Minnesota Statutes 2001 Supplement, section 169.79, is amended by adding a subdivision to read:

Subd. 3a. [SMALL TRAILER.] If the vehicle is a trailer with 3,000 pounds or less GVW with lifetime registration, the numbered plate or sticker must be adhered to the side of the trailer frame tongue near the hitch.

Sec. 48. Minnesota Statutes 2001 Supplement, section 169.79, subdivision 8, is amended to read:

Subd. 8. [PLATE REGISTRATION STICKERS.] 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 plate and the year of expiration in the lower right corner as viewed facing the plate. 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 or distinctive license plates, issued by the registrar, with "FLEET REG" ~~embossed~~ displayed on the bottom center portion of the plate.

Sec. 49. Minnesota Statutes 2000, section 169.974, subdivision 5, is amended to read:

Subd. 5. [DRIVING RULES.] (a) An operator of a motorcycle shall ride only upon a permanent and regular seat which is attached to the vehicle for that purpose. No other person shall ride on a motorcycle; except that passengers may ride upon a permanent and regular operator's seat if designed for two persons, or upon additional seats attached to the vehicle to the rear of the operator's seat, or in a sidecar attached to the vehicle; provided, however, that the operator of a motorcycle shall not carry passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. No passenger shall be carried in a position that will interfere with the safe operation of the motorcycle or the view of the operator.

(b) No person shall ride upon a motorcycle as a passenger unless, when sitting astride the seat, the person can reach the foot rests with both feet.

(c) No person, except passengers of sidecars or drivers and passengers of three-wheeled motorcycles, shall operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person shall operate a motorcycle while carrying animals, packages, bundles, or other cargo which prevent the person from keeping both hands on the handlebars.

(e) No person shall operate a motorcycle between lanes of moving or stationary vehicles headed in the same direction, nor shall any person drive a motorcycle abreast of or overtake or pass another vehicle within the same traffic lane, except that motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane.

(f) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of the full use of a traffic lane.

(g) A person operating a motorcycle upon a roadway must be granted the rights and is subject to the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

(h) Paragraph (e) of this subdivision does not apply to police officers in the performance of their official duties.

(i) No person shall operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

(j) A person parking a motorcycle on the roadway of a street or highway must:

(1) if parking in a marked parking space, park the motorcycle completely within the marked space; and

(2) park the motorcycle in such a way that the front of the motorcycle is pointed or angled toward the nearest lane of traffic to the extent practicable and necessary to allow the operator to (i) view any traffic in both directions of the street or highway without having to move the motorcycle into a lane of traffic and without losing balance or control of the motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the lane is sufficiently clear of traffic.

Sec. 50. Minnesota Statutes 2000, section 171.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] ~~No person,~~ Except those hereinafter ~~when~~ expressly exempted, ~~a person~~ shall ~~not~~ drive ~~any~~ a motor vehicle upon ~~any~~ a street or highway in this state unless ~~such~~ the person has a license valid under ~~the provisions~~ of this chapter for the type or class of vehicle being driven. ~~No person~~ The department shall receive not issue a driver's license to a person unless and until the person's license from any jurisdiction has been invalidated by the department. The department shall provide to the issuing department of any jurisdiction, information that the licensee is now licensed in Minnesota. ~~No~~ A person shall be is not permitted to have more than one valid driver's license at any time. ~~No~~ The department shall not issue to a person to whom a current Minnesota identification card has been issued may receive a driver's license, other than an instruction permit or a limited license, unless the person's Minnesota identification card has been invalidated ~~by the department.~~

Sec. 51. Minnesota Statutes 2000, section 171.02, subdivision 5, is amended to read:

Subd. 5. [EXEMPTION FOR CERTAIN BACKUP SNOWPLOW DRIVERS.] Pursuant to the waiver authorization set forth in Public Law Number 104-59, section 345 (a)(5), a person who operates a commercial motor vehicle for the purpose of removing snow or ice from a roadway by plowing, salting, or sanding is not required to hold a commercial driver's license if the person:

- (1) is an employee of a local unit of government with a population of 3,000 or less;
- (2) is operating within the boundaries of the local unit of government;
- (3) holds a valid class D driver's license ~~authorizing the operation of class B vehicles;~~ and

(4) except in the event of a lawful strike, is temporarily replacing the employee who normally operates the vehicle but either is unable to operate the vehicle or is in need of additional assistance due to a snow emergency as determined by the local unit of government.

Sec. 52. Minnesota Statutes 2000, section 171.04, subdivision 1, is amended to read:

Subdivision 1. [PERSONS NOT ELIGIBLE.] The department shall not issue a driver's license:

(1) to any person under 18 years unless:

(i) the applicant is 16 or 17 years of age and has a previously issued valid license from another state or country or the applicant has, for the 12 consecutive months preceding application, held a provisional license and during that time has incurred (A) no conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (B) no conviction for a crash-related moving violation, and (C) not more than one conviction for a moving violation that is not crash related. "Moving violation" means a violation of a traffic regulation but does not include a parking violation, vehicle equipment violation, or warning citation;

(ii) the application for a license is approved by (A) either parent when both reside in the same household as the minor applicant or, if otherwise, then (B) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (C) the parent or spouse of the parent with whom the minor is living or, if subitems (A) to (C) do not apply, then (D) the guardian having custody of the minor or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (E) the minor's adult spouse, adult close family member, or adult employer; provided, that the approval required by this item contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

(iii) the applicant presents a certification by the person who approves the application under item (ii), stating that the applicant has driven a motor vehicle accompanied by and under supervision of a licensed driver at least 21 years of age for at least ten hours during the period of provisional licensure;

(2) to any person who is 18 years of age or younger, unless the person has applied for, been issued, and possessed the appropriate instruction permit for a minimum of six months, and, with respect to a person under 18 years of age, a provisional license for a minimum of 12 months;

(3) to any person who is 19 years of age or older, unless that person has applied for, been issued, and possessed the appropriate instruction permit for a minimum of three months;

(4) to any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota No-Fault Automobile Insurance Act;

(5) to any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota No-Fault Automobile Insurance Act and if otherwise qualified;

(6) to any drug-dependent person, as defined in section 254A.02, subdivision 5;

(7) to any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to capacity, unless the department is satisfied that the person is competent to operate a motor vehicle with safety to persons or property;

(8) to any person who is required by this chapter to take a vision, knowledge, or road examination, unless the person has successfully passed the examination. An applicant who fails four road tests must complete a minimum of six hours of behind-the-wheel instruction with an approved instructor before taking the road test again;

(9) to any person who is required under the Minnesota No-Fault Automobile Insurance Act to deposit proof of financial responsibility and who has not deposited the proof;

(10) to any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by the person would be inimical to public safety or welfare;

(11) to any person when, in the opinion of the commissioner, the person is afflicted with or suffering from a physical or mental disability or disease that will affect the person in a manner as to prevent the person from exercising reasonable and ordinary control over a motor vehicle while operating it upon the highways;

(12) to a person who is unable to read and understand official signs regulating, warning, and directing traffic;

(13) to a child for whom a court has ordered denial of driving privileges under section 260C.201, subdivision 1, or 260B.235, subdivision 5, until the period of denial is completed; or

(14) to any person whose license has been canceled, during the period of cancellation.

Sec. 53. Minnesota Statutes 2000, section 171.05, subdivision 2, is amended to read:

Subd. 2. [PERSON LESS THAN 18 YEARS OF AGE.] (a) Notwithstanding any provision in subdivision 1 to the contrary, the department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or is enrolled in either:

(i) a public, private, or commercial driver education program that is approved by the commissioner of public safety and that includes classroom and behind-the-wheel training; or

(ii) an approved behind-the-wheel driver education program when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a home-school diploma, the student's status as a home-school student has been certified by the superintendent of the school district in which the student resides, and the student is taking home-classroom driver training with classroom materials approved by the commissioner of public safety;

(2) has completed the classroom phase of instruction in the driver education program;

(3) has passed a test of the applicant's eyesight;

(4) has passed a department-administered test of the applicant's knowledge of traffic laws;

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

(6) has paid the fee required in section 171.06, subdivision 2.

(b) The instruction permit is valid for one year from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 54. Minnesota Statutes 2000, section 171.055, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS FOR PROVISIONAL LICENSE.] (a) The department may issue a provisional license, which must be distinctive in appearance from a driver's license, to an applicant who:

(1) has reached the age of 16 years;

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

(3) has successfully completed a course of driver education in accordance with department rules;

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

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

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

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

Sec. 55. Minnesota Statutes 2000, section 171.06, subdivision 1, is amended to read:

Subdivision 1. [FORMS OF APPLICATION.] Every application for a Minnesota identification card, for an instruction permit, for a provisional license, or for a driver's license shall must be made upon in a form furnished format approved by the department, and every application shall must be accompanied by the proper fee. ~~All applications shall be signed in the presence of the person authorized to accept the applications, or the signature on the application may be verified by a notary public. All first-time applications and change of status applications must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public. All applications requiring evidence of legal presence in the United States must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public.~~

Sec. 56. Minnesota Statutes 2000, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION; OTHER INFORMATION.] (a) An application must:

(1) state the full name, date of birth, sex, and residence address of the applicant;

(2) as may be required by the commissioner, contain a description of the applicant ~~in such manner as the commissioner may require, and must state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. An application;~~

(3) for a class C, class B, or class A driver's license ~~also must~~, state the applicant's social security number. ~~An application or, for a class D driver's license must~~, have a space for the applicant's social security number and state that providing the number is optional, or otherwise convey that the applicant is not required to enter the social security number. ~~The application form must~~

(4) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); and

(5) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application form must contain statements sufficient to comply with the requirements of the Uniform Anatomical Gift Act (1987), sections 525.921 to 525.9224, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. ~~The application form must contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7. The application must be in the form prepared by the commissioner. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts.~~

~~(b)~~ (c) The application form must be accompanied also by a pamphlet information containing relevant facts relating to:

- (1) the effect of alcohol on driving ability;
- (2) the effect of mixing alcohol with drugs;
- (3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and
- (4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

~~(c) The application form must also be accompanied by a pamphlet describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts.~~

Sec. 57. Minnesota Statutes 2001 Supplement, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear a distinguishing number assigned to the licensee, the full name, date of birth, residence address and permanent mailing address if different, a description of the licensee in ~~such a~~ manner as the commissioner deems necessary, and ~~a space upon which the licensee shall write the usual signature and the date of birth of the licensee. No license is valid until it has been signed by unless it bears the usual signature of the licensee. Except in the case of an instruction permit;~~ Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(c) The department shall use ~~such process or processes in the issuance of licenses~~ issuing a license that ~~prohibits prohibit~~, as ~~near nearly~~ as possible, the ability to alter or reproduce ~~the licenses a license~~, or prohibit the ability to superimpose a photograph or electronically produced image on ~~the licenses a license~~, without ready detection.

(d) A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

Sec. 58. Minnesota Statutes 2000, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] (a) Upon payment of the required fee, the department shall issue to every qualifying applicant ~~therefor~~ a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an ~~instruction permit~~ or a limited license. The card must bear a distinguishing number assigned to the applicant; ~~a~~ 2 a colored photograph or an electronically produced image; of the applicant; the applicant's full name, date of birth, and residence address; ~~a description of the applicant in the manner as the commissioner deems necessary;~~ 2 and ~~a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.~~

(b) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(b)~~ (c) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

~~(c)~~ (d) The fee for a Minnesota identification card is 50 cents when issued to: a person who is mentally retarded, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 59. Minnesota Statutes 2000, section 171.13, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION UPON RENEWAL.] The department shall issue a driver's license ~~shall be issued~~ upon renewal when the applicant has passed an examination consisting of a screening of the applicant's eyesight. Screening of eyesight required by this subdivision ~~shall does not be construed as constitute~~ the practice of optometry as defined in section 148.56. The commissioner may adopt rules to administer this subdivision.

Sec. 60. Minnesota Statutes 2000, section 171.165, is amended to read:

171.165 [COMMERCIAL DRIVER'S LICENSE, DISQUALIFICATION.]

Subdivision 1. [FIRST VIOLATION.] Subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for one year upon receiving a record of the first conviction of the person for committing a violation of any of the following ~~in the commission of which offenses while operating~~ a commercial motor vehicle ~~was used~~:

(1) section 169A.20 or 169A.31;

(2) section 169.09, subdivision 1 or 2;

(3) a felony, other than a felony described in subdivision 3, paragraph (a), clause (3) (2), item (ii); or

(4) driving with a revoked, suspended, canceled, denied, or disqualified commercial driver's license;

(5) causing a fatality through the negligent or criminal operation of a commercial motor vehicle; or

(6) an offense committed in another state that would be grounds for disqualification under this subdivision or subdivision 2 if committed in Minnesota.

Subd. 2. [IMPLIED CONSENT REVOCATION.] The commissioner shall disqualify a person from operating commercial motor vehicles for one year from the effective date of a revocation under section 169A.52 or a statute or ordinance from another state in conformity with it, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the incident on which the revocation is based.

Subd. 3. [GRAVE OR MULTIPLE OFFENSES.] (a) Subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for:

(1) not less than three years, for a conviction or revocation set forth in subdivision 1 or 2 committed during the transportation of hazardous materials;

(2) ~~not less than ten years~~ life, if the person is convicted for a conviction:

(i) of a second or subsequent time of an disqualifying offense set forth in subdivision 1 or 2, a statute of another state or ordinance in conformity with it, or any combination of those offenses, arising from separate incidents; or

~~(3) life, if the person is convicted~~ (ii) under chapter 152 of a felony involving the manufacture, sale, or distribution of a controlled substance, or involving the possession of a controlled substance with intent to manufacture, sell, or distribute it, and the person is found to have used a commercial motor vehicle in the commission of the felony.

(b) A person whose commercial motor vehicle driving privileges have been disqualified under paragraph (a), clause (2), item (i), may apply for reinstatement after ten years. A person whose commercial motor vehicle driving privileges have been disqualified under paragraph (a), clause (2), item (ii), may not apply for reinstatement.

(c) A person whose commercial motor vehicle driving privileges have been reinstated under paragraph (b) and who subsequently commits a disqualifying offense set forth in subdivision 1 or 2, or any combination of those offenses, may not apply for reinstatement.

Subd. 4. [SERIOUS TRAFFIC VIOLATION.] On receiving a record of conviction and subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for 60 days if the person is convicted of two serious traffic violations, or 120 days if convicted of three serious traffic violations. The violations must involve separate incidents and must have been committed in a commercial motor vehicle within a three-year period. For purposes of this subdivision, a serious traffic ~~offense~~ violation includes the following:

(1) following too closely under section 169.18, subdivision 8;

(2) erratic lane change under sections 169.18, subdivisions 3 and 7; and 169.19, subdivision 4;

(3) operating the commercial vehicle at a speed 15 miles per hour or more above the posted speed limit;

(4) reckless or careless driving under section 169.13;

(5) fleeing a peace officer under section 609.487; ~~and~~

(6) a violation of a moving traffic statute of Minnesota or any state, or an ordinance in conformity with a Minnesota statute, that arose in connection with a fatal accident;

(7) operating a commercial motor vehicle without the proper class of commercial driver's license or endorsements for the type of vehicle being operated; and

(8) operating a commercial motor vehicle without a commercial driver's license in immediate possession, unless the person provides proof to the court that, on the date of the citation, the person held a valid commercial driver's license of the proper class and with the proper endorsements.

Subd. 4a. [VIOLATION OF OUT-OF-SERVICE ORDER.] (a) The commissioner shall disqualify a person from operating a commercial motor vehicle for not less than:

(1) 90 days nor more than one year if the operator is convicted of a first violation of an out-of-service order;

(2) one year nor more than five years if, during any ten-year period, the operator is convicted of two violations of out-of-service orders in separate incidents; and

(3) three years nor more than five years if, during any ten-year period, the operator is convicted of three or more violations of out-of-service orders in separate incidents.

(b) The commissioner shall notify the commissioner of transportation of each disqualification under this subdivision.

Subd. 4b. [RAILROAD GRADE CROSSING VIOLATION.] (a) The commissioner shall disqualify a person from operating a commercial motor vehicle for not less than:

(1) 60 days if the person is convicted of a first railroad grade crossing violation;

(2) 120 days if, during any three-year period, the person is convicted of two railroad grade crossing violations arising from separate incidents;

(3) one year if, during any three-year period, the person is convicted of three or more railroad grade crossing violations arising from separate incidents.

(b) For the purposes of the subdivision, "railroad grade crossing violation" means a violation of section 169.26 or 169.28, Code of Federal Regulations, title 49, section 392.10, or a statute or ordinance from another state in conformity with those sections, while operating a commercial motor vehicle.

Subd. 5. [RULES.] The commissioner shall adopt rules to administer this section. The rules must include procedures for issuing class D licenses to persons who have been disqualified from operating commercial motor vehicles but whose drivers' licenses have not otherwise been revoked, suspended, canceled, or denied.

Subd. 6. [EXEMPTIONS.] A disqualification shall not be imposed under this section on a recreational equipment operator, farmer, or firefighter operating a commercial motor vehicle within the scope of section 171.02, subdivision 2, paragraph (b).

Subd. 7. [SCOPE.] This section applies to offenses committed, and revocations imposed for incidents occurring, on or after January 1, 1990.

Sec. 61. [INTENT.]

Nothing in section 9, subdivision 1a, paragraphs (a) and (c) through (i), and related repeals elsewhere in that section, is intended to increase or decrease the scope or extent of any category of licensing authorized under Minnesota Statutes, section 168.27.

Sec. 62. [EXEMPTION FROM MATCHING REQUIREMENT.]

All money received under Public Law Number 107-71, the Aviation and Transportation Security Act, is exempt from the matching requirements of Minnesota Statutes, section 360.305, subdivision 4.

Sec. 63. [BUS SERVICE AUTHORIZED.]

Notwithstanding Laws 2001, First Special Session chapter 8, article 1, section 2, subdivision 7, the commissioner may spend up to \$400,000 of trunk highway funds in fiscal year 2003 to pay the operating costs of bus service to mitigate the traffic impacts of the construction project involving marked interstate highway 494, the Wakota bridge, and marked trunk highway 61.

Sec. 64. [REPEALER.]

Minnesota Statutes 2000, section 171.30, subdivision 3, is repealed.

ARTICLE 2

MOTOR CARRIER FUEL TAX

Section 1. [LEGISLATIVE FINDINGS AND POLICY.]

(a) The legislature of the state of Minnesota finds that, for the benefit of the state, other jurisdictions, and the motor carrier industry, the state should enter into and endorse an international agreement pertaining to the registration and fuel taxation of motor carriers operating in interstate commerce. The purpose of such agreements and compacts are to ensure proper funding of the state's highway infrastructure through the payment and distribution of revenue by and between member jurisdictions and to simplify the registration and taxation process for the motor carriers.

(b) With this understanding, the state adopts these core principles to international registration and taxation agreements:

- (1) the concept of a single-base jurisdiction for all motor carriers;
- (2) the concept that the definition of a taxpayer will be uniform among member jurisdictions;
- (3) the concept that each member jurisdiction retains its taxing authority under its specific tax-enabling laws;
- (4) the principle of apportioned registration and fuel taxes;
- (5) the principle of one registration plate;
- (6) the principle of reciprocal granting of fees and granting of reciprocity;
- (7) the discharge of registrant responsibilities; and
- (8) the operation under apportioned registration and fuel taxes.

Sec. 2. [168D.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in this chapter, the following terms have the meanings given them in this section.

Subd. 2. [CANCELLATION.] "Cancellation" means the voluntary termination of a license and its provisions.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public safety of the state of Minnesota, acting directly or through duly authorized agents.

Subd. 4. [JURISDICTION.] "Jurisdiction" means a state of the United States, the District of Columbia, a province or territory of Canada, and any other member jurisdiction of the International Fuel Tax Agreement (IFTA) compact as approved by Congress in the Intermodal Surface Transportation Efficiency Act (ISTEA).

Subd. 5. [MOTOR CARRIER.] "Motor carrier" means an individual, corporation, partnership, association, trust, or other entity, however organized, operating one or more qualified motor vehicles as a part of its interstate business operations.

Subd. 6. [MOTOR FUEL.] "Motor fuel" means an agent, regardless of its composition or properties, used to propel a qualified motor vehicle.

Subd. 7. [OPERATION.] "Operation" means operation of qualified motor vehicles whether loaded or empty, whether for compensation or not for compensation, and whether owned by or leased to the motor carrier who operates them or causes them to be operated in two or more jurisdictions.

Subd. 8. [QUALIFIED MOTOR VEHICLE.] (a) "Qualified motor vehicle" means a motor vehicle that is used, designed, or maintained to transport persons or property and that:

(1) has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds;

(2) has three or more axles regardless of weight; or

(3) is used in combination, when the weight of the combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight.

(b) Qualified motor vehicle does not include a recreational vehicle or any vehicle exempt from registration under section 168.012, subdivision 1, paragraph (a), clause (1).

Subd. 9. [REVOCAION.] "Revocation" means the withdrawal of a license and privileges by the commissioner of public safety.

Subd. 10. [SUSPENSION.] "Suspension" means the temporary removal of privileges granted to the licensee by the commissioner of public safety.

Sec. 3. [168D.02] [FUEL TAX COMPACT.]

Subdivision 1. [AUTHORITY.] (a) The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another jurisdiction or make an independent declaration granting to motor carriers of qualified motor vehicles properly registered or licensed in another member jurisdiction benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions consistent with federal and state laws and regulations.

(b) The commissioner of public safety may ratify and effectuate an international fuel tax agreement or other fuel tax agreement in accordance with state and federal authorities. The commissioner's authority includes collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

(c) Based on these powers, the commissioner and the state of Minnesota have entered into a formal agreement with other states of the United States, the District of Columbia, provinces and territories of Canada, and any other member jurisdiction of the International Fuel Tax Agreement (IFTA) compact as approved by Congress in the Intermodal Surface Transportation Efficiency Act (ISTEA) to assess and collect fuel tax in a uniform and consistent manner across jurisdictions.

Subd. 2. [RECIPROCIITY.] (a) As a member of the IFTA compact, the state of Minnesota recognizes and affirms the provisions set forth in that agreement.

(b) Under the provisions of this agreement, the state of Minnesota shall provide an open exchange of information between member jurisdictions and the IFTA clearinghouse but reserves the right to stipulate the level of security and privacy of the information in transmission and storage to protect the privacy rights of its citizens according to chapters 13 through 13D.

(c) An agreement or arrangement must be in writing and provide that when a qualified motor vehicle properly licensed for fuel in the state of Minnesota is operated on highways of another member jurisdiction, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a qualified motor vehicle properly licensed for fuel in that member jurisdiction while it is being operated in the state of Minnesota.

(d) A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the motor carrier of a qualified motor vehicle registered for fuel in Minnesota and the other member jurisdictions. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Sec. 4. [168D.03] [COMPLIANCE WITH MINNESOTA LAWS.]

Agreements, arrangements, and declarations made under authority of this chapter must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the motor carrier of a qualified motor vehicle from compliance with Minnesota laws.

Sec. 5. [168D.04] [TAXING AUTHORITY.]

Subdivision 1. [AGREEMENT TERMS.] (a) Under the provisions of an agreement entered into according to section 168D.02, each member shall retain its sovereign authority to determine tax rates and exemptions and to exercise other substantive tax authority.

(b) In accordance with federal and state law, the agreement must provide for:

- (1) determining the base jurisdiction for users;
- (2) users' records requirements;
- (3) audit procedures;
- (4) exchanging information;
- (5) eligibility of persons for tax licensing;
- (6) defining qualified motor vehicles;
- (7) determining if bonding is required;
- (8) specifying reporting requirements and periods, including defining uniform penalty and interest rates for late reporting;
- (9) determining methods for collecting and forwarding motor fuel taxes and penalties to another jurisdiction;
- (10) display of identification indicating compliance with the agreement; and
- (11) other provisions to facilitate the administration of the agreement.

(c) Each jurisdiction shall audit the records of persons based in the jurisdiction to determine if the motor fuel taxes due each jurisdiction are properly reported and paid.

Subd. 2. [FUEL ROAD TAX IMPOSED.] (a) Every motor carrier shall pay a road tax calculated on the amount of motor fuel consumed in the motor carrier's operations on highways within Minnesota. The tax rate is imposed at the rate and conditions specified in chapter 296A.

(b) The amount of motor fuel consumed in the operations of a motor carrier on highways within Minnesota is determined by dividing the miles traveled within Minnesota by the average miles per gallon.

(c) The average miles per gallon for a motor carrier's qualified motor vehicles is determined by dividing the total miles traveled by the total motor fuel consumed.

Sec. 6. [168D.05] [MOTOR CARRIER FUEL LICENSE.]

(a) A motor carrier registered under section 168.187, operating a qualified motor vehicle upon the highways of Minnesota, and not qualifying for exemption under this chapter, may not operate the vehicle unless and until issued a fuel license under this chapter or until the motor carrier has obtained a temporary fuel permit.

(b) A license may be issued to a person qualifying as a motor carrier who applies and pays to the commissioner the license fees required by this chapter.

(c) A license is valid for a calendar year unless surrendered by the motor carrier or canceled, suspended, or revoked by the commissioner. All licenses expire on December 31 of each calendar year and may be renewed by applying to the commissioner and paying the licensing fee.

(d) The motor carrier is required to make legible copies of the license and one copy must be carried in each qualified motor vehicle while it is being operated in Minnesota and in all member jurisdictions.

(e) Each licensee shall acknowledge and agree upon license application to be bound by the obligations and duties of licensed motor carriers under the laws, rules, and regulations adopted by the member jurisdictions to administer the International Fuel Tax Agreement. Failure to adhere to these obligations and duties may result in cancellation, suspension, or revocation of the license.

Sec. 7. [168D.06] [FUEL LICENSE FEES.]

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the highway user tax distribution fund. The commissioner shall charge an annual fuel license fee of \$15, and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Sec. 8. [168D.07] [FUEL DECAL FEE.]

The commissioner shall issue a decal or other identification to indicate compliance with the International Fuel Tax Agreement. The commissioner shall establish a charge to cover the cost of issuing the decal or other identification according to section 16A.1285, subdivision 4a. Decal or other identification charges paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 9. [168D.08] [MOTOR CARRIER FUEL TAX RETURNS.]

Every motor carrier subject to the fuel tax shall, on or before the last day of April, July, October, and January, file with the commissioner, in the format and manner prescribed, tax returns of operations during the previous three months.

Sec. 10. [168D.09] [CREDIT OR REFUND.]

Under this section, the commissioner shall allow a credit or refund to a motor carrier for taxes paid to any member jurisdiction that imposes a tax upon motor fuel purchased or obtained in Minnesota and member jurisdictions and used on the highways of Minnesota and other member jurisdictions. Every motor carrier claiming a refund under this section shall file a claim in the format and manner prescribed by the commissioner or take the credit on a subsequent tax return.

Sec. 11. [168D.10] [MOTOR CARRIER RECORDS.]

Subdivision 1. [MAINTENANCE.] Every motor carrier shall maintain records to substantiate information reported on the required tax returns. The records must be kept in a format prescribed by the commissioner.

Subd. 2. [PRESERVATION.] Records must be preserved for four years from the tax return due date or filing date, whichever is later. Preservation of the records must be in a manner that ensures their security, integrity, and availability for inspection by the commissioner or a representative of a member jurisdiction.

Subd. 3. [DESTRUCTION.] Destruction of records may not be completed until the statutory period is met or upon written consent from the commissioner. A request for early destruction of records must be made in writing to the commissioner identifying the necessity and reasons for the request.

Sec. 12. [168D.11] [AUDITING AND REPORTING.]

Subdivision 1. [AUTHORITY AND OBLIGATION.] The commissioner has the right and obligation to audit the records of persons based in Minnesota to determine if the motor fuel taxes due each jurisdiction are properly reported and paid, with authority to assess proper tax liability with applicable penalty and interest.

Subd. 2. [REPORTING TO OTHER JURISDICTIONS.] Minnesota, along with all other member jurisdictions, shall forward the findings of any fuel tax audits performed to each jurisdiction in which the person has taxable use of motor fuels. The commissioner may forward to officers of another member jurisdiction any information in the commissioner's possession relating to the manufacture, receipt, sale, use, transportation, or shipment of motor fuels by any person. The commissioner may disclose to officers of another member jurisdiction the location of offices, motor vehicles, and other real and personal property of users of motor fuels.

Subd. 3. [COOPERATIVE AUDIT.] (a) The commissioner of public safety may make arrangements with, and may enter into agreements with, the appropriate authorities of other Minnesota state agencies and other member jurisdictions having statutes similar to this act for the cooperative audit of motor carriers' reports and returns.

(b) In performing a cooperative audit, in whole or in part, the officers and employees of the other Minnesota state agencies or member jurisdictions are considered authorized agents of Minnesota for audit purposes, and their audits have the same force and effect as audits conducted by Minnesota auditors.

Sec. 13. [168D.12] [MOTOR CARRIER TEMPORARY FUEL PERMIT.]

A motor carrier may obtain a trip permit that authorizes an unlicensed motor carrier to operate a qualified motor vehicle in Minnesota for five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for the permit is \$25. The permit must be issued in lieu of a license if in the course of operations a motor carrier operates on Minnesota highways.

Sec. 14. [168D.13] [ACTION TO AVOID OR EVADE FUEL TAX.]

Subdivision 1. [DETERMINATION AND ASSESSMENT.] If the commissioner ascertains that a motor carrier acts to obstruct or make ineffectual proceedings to assess or collect the road taxes due, the commissioner may immediately make an assessment of tax estimated to be due, whether or not any report is then due by law.

Subd. 2. [ASSESSMENT NOTICE AND COLLECTION; IMPOUNDMENT.] (a) The commissioner may then proceed under this assessment to collect the tax, or compel security for the taxes owing, and shall give notice of the commissioner's finding under subdivision 1 to the motor carrier, together with a demand for an immediate payment of the tax.

(b) The commissioner is also authorized to impound qualified motor vehicles of motor carriers in violation of this subdivision. The vehicle must be released either upon paying all taxes, penalties, and interest that may be due or depositing a bond or security to assure the payment of taxes, penalties, and interest.

Sec. 15. [168D.14] [ENFORCEMENT POWERS.]

Subdivision 1. [COMMISSIONER OF PUBLIC SAFETY.] The commissioner is authorized and directed to enforce this chapter. In addition, the commissioner of public safety is authorized and directed to use the Minnesota state patrol to assist in the enforcement of this chapter.

Subd. 2. [COMMISSIONER OF TRANSPORTATION.] The commissioner of transportation is authorized and directed to enforce sections 168D.05 and 168D.12 as provided in section 221.221.

Subd. 3. [STATE PATROL.] The officers of the Minnesota state patrol, in addition to all other powers granted to them by Minnesota Statutes, have the power of making arrests, service of process, and appearing in court in all matters and things relating to this chapter and its administration and enforcement.

Sec. 16. [168D.15] [DELINQUENT FILING OR PAYMENT.]

If a motor carrier licensed under this section is delinquent in either filing or paying the International Fuel Tax Agreement (IFTA) report or billing for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the motor carrier, after ten days' written notice, is subject to suspension of the apportioned license plates and the IFTA license.

Sec. 17. [168D.16] [TRANSFERRING FUNDS TO PAY DELINQUENT FEE.]

If a motor carrier licensed under this chapter is delinquent in either filing or paying the International Fuel Tax Agreement (IFTA) report or billing for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner shall authorize any credit in either the IFTA account or the international registration plan account to be used to offset the liability in either the IFTA account or the international registration plan account.

Sec. 18. [168D.17] [EXEMPTIONS.]

This chapter does not apply to recreational equipment as defined in section 168.011.

Sec. 19. [168D.18] [RULES.]

The commissioner may adopt rules relating to the administration and enforcement of this chapter.

Sec. 20. Minnesota Statutes 2000, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner or owner-operator licensed under this section and ~~section 296A.28~~ chapter 168D is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing for more than 30 days, the fleet owner or owner-operator, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 21. Minnesota Statutes 2001 Supplement, section 221.221, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT POWERS.] Transportation program specialists and hazardous material program specialists of the department, for the purpose of enforcing ~~the provisions of this chapter, sections 169.781 to 169.783~~ relating to commercial vehicle inspections, and ~~section 296A.27, subdivisions 6 and 12, sections 168D.05 and 168D.12~~ relating to motor carrier licenses and trip permits, and the applicable rules, orders, or directives of the commissioner of transportation and the commissioner of revenue, issued under this chapter and chapter 168D or 296A, but for no other purpose, have the powers conferred by law upon police officers. The powers include the authority to conduct inspections at designated highway weigh stations or under other appropriate circumstances.

Sec. 22. Minnesota Statutes 2000, section 296A.23, subdivision 7, is amended to read:

Subd. 7. [FAILURE TO OBTAIN PROPER PERMIT.] A minimum fine of \$200 shall be imposed on a person who fails to obtain a license or trip permit required under section ~~296A.27, subdivisions 6 and 12~~ 168D.05 or 168D.12.

Sec. 23. [REPEALER.]

Minnesota Statutes 2000, sections 296A.27 and 296A.28, are repealed.

ARTICLE 3

COMMERCIAL VEHICLE ENFORCEMENT

Section 1. Minnesota Statutes 2000, section 168.011, subdivision 17, is amended to read:

Subd. 17. [FARM TRUCK.] (a) "Farm truck" means all single unit trucks, truck-tractors, tractors, semitrailers, and trailers used by the owner thereof to transport agricultural, horticultural, dairy, and other farm products, including livestock, produced or finished by the owner of the truck, and any other personal property owned by the farmer to whom the license for the truck is issued, from the farm to market, and to transport property and supplies to the farm of the owner. Trucks, truck-tractors, tractors, semitrailers, and trailers registered as "farm trucks" may be used by the owner thereof to occasionally transport unprocessed and raw farm products, not produced by the owner of the truck, from the place of production to market when the transportation constitutes the first haul of the products, and may be used by the owner thereof, either farmer or logger who harvests and hauls forest products only, to transport logs, pulpwood, lumber, chips, railroad ties and other raw and unfinished forest products from the place of production to an intermediate or final assembly point or transfer yard or railhead when the transportation constitutes, which transportation may be continued by another farm truck to a place for final processing or manufacture located within 200 miles of the place of production and all of which is deemed to constitute the first haul thereof, of unfinished wood products; provided that the owner and operator of the vehicle transporting planed lumber shall have in immediate possession a statement signed by the producer of the lumber designating the governmental subdivision, section, and township where the lumber was produced and that this haul, indicating the date, is the first haul thereof. The licensed vehicles may also be used by the owner thereof to transport, to and from timber-harvesting areas, equipment and appurtenances incidental to timber harvesting, and gravel and other road-building materials for timber haul roads.

(b) "Farm trucks" shall also include only single unit trucks, ~~which that~~, because of their construction, cannot be used for any other purpose and are used exclusively to transport milk and cream en route from a farm to an assembly point or place for final manufacture, and for transporting milk and cream from an assembly point to a place for final processing or manufacture. This section shall not be construed to mean that the owner or operator of the truck cannot carry on usual accommodation services for patrons on regular return trips, such as butter, cream, cheese, and other dairy supplies.

Sec. 2. Minnesota Statutes 2000, section 168.013, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHT FORBIDDEN.] (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry thereon, the sum of which shall constitute the gross weight upon which the license tax shall be paid, but in no case shall the declared gross weight upon which the tax is paid be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.01, subdivision 52. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) The gross weight of ~~no~~ a motor vehicle, trailer, or semitrailer shall not exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest products in accordance with paragraph (d)(3) shall not exceed its gross vehicle weight upon which the license tax has been paid, or gross axle weight on any axle, by more than five percent and, notwithstanding other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for exceeding a gross vehicle or axle weight by up to five percent.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid shall be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates shall be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight, shall be guilty of a misdemeanor and be subject to increased registration or reregistration according to the following schedule:

(1) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it is registered by more than ~~four percent or 1,000 pounds, whichever is greater,~~ the allowance set forth in paragraph (b) but less than 25 percent or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.825 by more than ~~four percent or 1,000 pounds, whichever is greater,~~ the allowance set forth in paragraph (b) but less than 25 percent, in addition to any penalty imposed for the misdemeanor shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying, the increase computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under section 169.825, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by section 169.825. Unless the owner within 30 days after a conviction shall apply to increase the authorized weight and pay the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) The owner or driver or user of a motor vehicle, trailer, or semitrailer upon conviction for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more, or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.825 by 25 percent or more, in addition to any penalty imposed for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity canceled by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle operated shall be canceled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or on-farm storage site to any other location within 50 miles of the place of production or on-farm storage site, or (ii) the ~~first~~, continuous or noncontinuous transportation of unfinished forest products from the place of production to the place of ~~first unloading~~ final processing or manufacture located within 200 miles of the place of production.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to provisions of this section, the vehicle shall not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee shall be the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 shall be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state.

Sec. 3. Minnesota Statutes 2000, section 169.771, subdivision 2, is amended to read:

Subd. 2. [INSPECTION BY STATE TROOPER.] (a) The commissioner of public safety is directed to accelerate spot check inspections for unsafe motor vehicles and motor vehicle equipment. Such inspections shall be conducted by the personnel of the state patrol who shall give the operator of a commercial motor vehicle a signed and dated document as evidence of the inspection.

(b) However, personnel of the state patrol may not conduct another spot inspection of a commercial motor vehicle if (1) the operator of the vehicle can show evidence of an inspection, which is free of critical defects, conducted in Minnesota according to this section or section 169.781 within the previous 90 days and (2) a state trooper does not have probable cause to believe the vehicle or its equipment is unsafe or that the operator has engaged in illegal activity. In addition, if the operator shows the state trooper evidence that the commercial motor vehicle has been inspected within the previous 90 days, but the officer has probable cause to believe the vehicle or its equipment is unsafe or to suspect illegal activity, then the vehicle may be inspected to confirm the existence or absence of an unsafe condition or of the suspected illegal activity.

Sec. 4. Minnesota Statutes 2000, section 169.771, subdivision 3, is amended to read:

Subd. 3. [RULES.] The commissioner of public safety may establish such reasonable rules as are necessary to carry out the provisions of this section, but all spot check inspections shall be held in compliance with subdivision 2 and in such a manner that the motor vehicle operators, either private or commercial, shall not be unnecessarily inconvenienced either by extended detours, unnecessary delays, or any other unreasonable cause.

Sec. 5. Minnesota Statutes 2000, section 169.85, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP FOR WEIGHING.] (a) The driver of a vehicle ~~which~~ that has been lawfully stopped may be required by an officer to submit the vehicle and load to a weighing by means of portable or stationary scales; ~~and~~

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

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

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

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

(d) When a truck weight enforcement operation is conducted by means of portable or stationary scales and signs giving notice of the operation are posted within the highway right-of-way and adjacent to the roadway within two miles of the operation, the driver of a truck or combination of vehicles registered for or weighing in excess of 12,000 pounds shall proceed to the scale site and submit the vehicle to weighing and inspection.

Sec. 6. Minnesota Statutes 2000, section 169.85, subdivision 2, is amended to read:

Subd. 2. [UNLOADING.] (a) Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under either section 168.013, subdivision 3, paragraph (b), or 169.825, whichever is the lesser violation, if any. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule, or ordinance.

(b) Except as provided in paragraph (c), a driver may be required to unload a vehicle only if the weighing officer determines that ~~(a) (1)~~ on routes subject to the provisions of section 169.825, the weight on an axle exceeds the lawful gross weight prescribed by section 169.825, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by section 169.825, by 4,000 pounds or more; or ~~(b) (2)~~ on routes designated by the commissioner in section 169.832, subdivision 11, the overall weight of the vehicle or the weight on an axle or group of consecutive axles exceeds the maximum lawful gross weights prescribed by section 169.825; or ~~(c) (3)~~ the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(c) If the gross weight of the vehicle does not exceed the vehicle's registered gross weight plus the weight allowance set forth in section 168.013, subdivision 3, paragraph (b), then the driver is not required to unload under paragraph (b).

Sec. 7. Minnesota Statutes 2000, section 169.851, subdivision 3, is amended to read:

Subd. 3. [FIRST HAUL.] "First haul" ~~means the first, continuous transportation from the place of production or on farm storage site to any other location within 50 miles of the place of production or on farm storage site~~ has the meaning given it in section 168.013, subdivision 3, paragraph (d)(3).

Sec. 8. Minnesota Statutes 2000, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEE; PROCEEDS TO TRUNK HIGHWAY FUND.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3);

(4) special pulpwood vehicles described in section 169.863; and

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

- (1) mobile cranes;
- (2) construction equipment, machinery, and supplies;
- (3) manufactured homes;
- (4) implements of husbandry when the movement is not made according to the provisions of paragraph (i);
- (5) double-deck buses;
- (6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitation weight on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0 - 2,000	.12	.05	.04
2,001 - 4,000	.14	.06	.05
4,001 - 6,000	.18	.07	.06
6,001 - 8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.825, subdivision 14, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) For vehicles exclusively transporting implements of husbandry, an annual permit fee of \$24. A vehicle operated under a permit authorized by this paragraph may be moved at the discretion of the permit holder without prior route approval by the commissioner if:

- (1) the total width of the transporting vehicle, including load, does not exceed 14 feet;
- (2) the vehicle is operated only between sunrise and 30 minutes after sunset, and is not operated at any time after 12:00 noon on Sundays or holidays;
- (3) the vehicle is not operated when visibility is impaired by weather, fog, or other conditions that render persons and other vehicles not clearly visible at 500 feet;
- (4) the vehicle displays at the front and rear of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds 126 inches; and
- (5) the vehicle is not operated on a trunk highway with a surfaced roadway width of less than 24 feet unless such operation is authorized by the permit.

A permit under this paragraph authorizes movements of the permitted vehicle on an interstate highway, and movements of 75 miles or more on other highways.

Sec. 9. [NORTHERN ZONE LOAD RESTRICTION STUDY.]

The commissioner of transportation shall conduct a study of load restrictions and seasonal load increases in the northern zone of Minnesota and make recommendations regarding the establishment of one or more new zones given the varying climate in the northern area of the state. The commissioner shall report findings back to the committees of the senate and house of representatives with jurisdiction over transportation policy by December 15, 2002.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; modifying vehicle registration and titling provisions; regulating motor vehicle dealer transactions; allowing electronic transactions with department of public safety; modifying provisions governing road inspections, first hauls, and weight allowances for commercial motor vehicles and requiring a study; modifying bicycle registration provisions; modifying traffic regulations relating to traffic-control signals, railroad grade crossings, special mobile equipment, vehicle license plates, and motorcycles; modifying provisions relating to drivers' licenses and state identification cards; exempting certain federal funds from statutory matching requirements; authorizing expenditure of money on bus service to mitigate traffic impact of certain highway construction; modifying, clarifying, and reorganizing motor carrier fuel tax provisions; authorizing rules; making technical and clarifying changes; amending Minnesota Statutes 2000, sections 168.011, subdivisions 4, 17, 34; 168.013, subdivision 3; 168.09, subdivisions 1, 3; 168.10, subdivision 1c; 168.187, subdivision 26; 168.27, as amended; 168.31, subdivision 4; 168.33, subdivision 6, by adding a subdivision; 168A.01, subdivisions 2, 24, by adding a subdivision; 168A.04, subdivision 5; 168A.05, subdivision 5a; 168A.09, subdivision 1; 168A.11, subdivision 2; 168A.12, subdivisions 1, 2; 168A.15, by adding a subdivision; 168A.154; 168A.18; 168A.19, subdivision 2; 168A.20, subdivisions 2, 3, 4; 168A.24, subdivision 1; 168C.02, subdivisions 1, 5; 168C.03; 168C.04, subdivision 1; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; 168C.13, subdivision 1; 169.06, by adding a subdivision; 169.26, subdivision 1; 169.28, subdivision 1; 169.771, subdivisions 2, 3; 169.85, subdivisions 1, 2; 169.851, subdivision 3; 169.86, subdivision 5; 169.974, subdivision 5; 171.02, subdivisions 1, 5; 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 171.06, subdivisions 1, 3; 171.07, subdivision 3; 171.13, subdivision 2; 171.165; 296A.23, subdivision 7; Minnesota Statutes 2001 Supplement, sections 168.012, subdivision 1; 169.781, subdivision 2; 169.79, subdivisions 3, 8, by adding a subdivision; 171.07, subdivision 1; 221.221, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168; proposing coding for new law as Minnesota Statutes, chapter 168D; repealing Minnesota Statutes 2000, sections 171.30, subdivision 3; 296A.27; 296A.28."

We request adoption of this report and repassage of the bill.

House Conferees: WILLIAM KUISLE, JAMES T. CLARK AND SHARON MARKO.

Senate Conferees: STEVE MURPHY AND DAVID H. JOHNSON.

Kuisle moved that the report of the Conference Committee on H. F. No. 3203 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3203, A bill for an act relating to public safety; modifying vehicle registration provisions; regulating certain motor vehicle dealer transactions; modifying provisions governing road inspections, first hauls, and weight allowances for commercial motor vehicles and requiring a study; allowing certain transactions with department of public safety to be conducted electronically; setting vehicle title fees; modifying bicycle registration provisions; modifying certain traffic regulations; requiring proof of legal presence in this country to obtain driver's license, permit, or identification card; modifying certain license plate display requirements; authorizing special veteran and patriot license plates; modifying commercial driver's license exemption for snowplow drivers; providing for driver's license to be issued to legally emancipated minor; modifying commercial driver's license provisions to conform to federal law; exempting certain funds from matching requirements; authorizing rules; making technical and clarifying changes; amending Minnesota Statutes 2000, sections 168.011, subdivisions 4, 17, 34; 168.013, subdivision 3; 168.09, subdivisions 1, 3; 168.10, subdivision 1c; 168.123, subdivision 2; 168.27, as amended; 168.31, subdivision 4; 168.33, subdivision 6, by adding a subdivision; 168A.01, subdivisions 2, 24, by adding a subdivision; 168A.04, subdivision 5; 168A.05, subdivision 5a; 168A.09, subdivision 1; 168A.11, subdivision 2; 168A.12, subdivisions 1, 2; 168A.154; 168A.18; 168A.19, subdivision 2; 168A.20, subdivisions 2, 3, 4; 168A.24, subdivision 1; 168A.29, subdivision 1; 168C.02, subdivisions 1, 5; 168C.03; 168C.04, subdivision 1; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; 168C.13, subdivision 1; 169.06, by adding a subdivision; 169.26, subdivision 1; 169.28, subdivision 1; 169.771, subdivisions 2, 3; 169.85, subdivisions 1, 2; 169.851, subdivision 3; 169.86, subdivision

5;169.974, subdivision 5; 171.02, subdivisions 1, 5; 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 171.06, subdivisions 1, 3; 171.07, subdivision 3; 171.13, subdivision 2; 171.165; Minnesota Statutes 2001 Supplement, sections 168.012, subdivision 1; 169.781, subdivision 2; 169.79, subdivisions 3, 8, by adding a subdivision; 171.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 2000, sections 115A.908, subdivision 2; 171.30, subdivision 3; Minnesota Statutes 2001 Supplement, section 115A.908, subdivision 1.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hackbarth	Krinkie	Olson	Skoglund
Abrams	Dibble	Hausman	Kubly	Opatz	Slawik
Anderson, B.	Dorman	Hilstrom	Kuisle	Osskopp	Smith
Anderson, I.	Dorn	Hilty	Lenczewski	Osthoff	Stanek
Bakk	Eastlund	Holberg	Leppik	Otremba	Stang
Bernardy	Entenza	Holsten	Lieder	Paulsen	Swapinski
Biernat	Erhardt	Howes	Lindner	Pawlenty	Swenson
Bishop	Erickson	Huntley	Lipman	Paymar	Sykora
Blaine	Evans	Jacobson	Mahoney	Pelowski	Thompson
Boudreau	Finseth	Jaros	Mares	Penas	Tingelstad
Buesgens	Folliard	Jennings	Mariani	Pugh	Tuma
Carlson	Fuller	Johnson, J.	Marko	Rhodes	Wagenius
Cassell	Gerlach	Johnson, R.	Marquart	Rifenberg	Walker
Clark, J.	Gleason	Johnson, S.	McGuire	Rukavina	Walz
Clark, K.	Goodno	Jordan	Milbert	Ruth	Wasiluk
Daggett	Goodwin	Juhnke	Molnau	Schumacher	Westerberg
Davids	Gray	Kahn	Mulder	Seagren	Wilkin
Davnie	Greiling	Kelliher	Mullery	Seifert	Winter
Dawkins	Gunther	Kielkucki	Murphy	Sertich	Spk. Sviggum
Dehler	Haas	Knoblach	Ness	Skoe	

Those who voted in the negative were:

Vanderveer Westrom

The bill was repassed, as amended by Conference, and its title agreed to.

CALENDAR FOR THE DAY

The Speaker called Boudreau to the Chair.

H. F. No. 3092 was reported to the House.

Abeler and Pelowski moved to amend H. F. No. 3092, the second engrossment, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2001 Supplement, section 245A.07, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY IMMEDIATE SUSPENSION.] If the license holder's actions or failure to comply with applicable law or rule poses an imminent risk of harm to the health, safety, or rights of persons served by the program, the commissioner shall act immediately to temporarily suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8510 to 1400.8612 and successor rules, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail and must be received by postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Sec. 2. Minnesota Statutes 2001 Supplement, section 245A.07, subdivision 3, is amended to read:

Subd. 3. [LICENSE SUSPENSION, REVOCATION, OR FINE.] The commissioner may suspend or revoke a license, or impose a fine if a license holder fails to comply fully with applicable laws or rules, or knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation. A license holder who has had a license suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail. The notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or a fine was ordered.

(a) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8510 to 1400.8612 and successor rules. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail and must be received by postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked.

(b)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8510 to 1400.8612 and successor rules. The appeal of an order to pay a fine must be made in writing by certified mail and must be received by postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows: the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under section 626.556 or the maltreatment of a vulnerable adult under section 626.557; the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety,

or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to submit a background study; and the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$1,000 or \$200 fine above. For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment."

Page 1, line 14, after the comma, insert "personal care provider organizations under section 256B.0627, subdivision 1, paragraph (j),"

Page 1, line 20, after the headnote, insert "(a)"

Page 1, line 22, delete "such a" and insert "the"

Page 2, line 1, delete "the plaintiff" and insert "is proved"

Page 2, line 2, delete "proves"

Page 2, line 4, after the period, insert:

"(b)"

Page 2, line 9, delete "such a" and insert "the" and after "disclose" insert "in writing"

Page 2, line 17, after "conduct" insert "by the employee"

Page 2, line 22, delete "such a" and insert "the"

Reorder the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Knoblach, Abeler, Biernat and Skoglund moved to amend H. F. No. 3092, the second engrossment, as amended, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2000, section 13.43, is amended by adding a subdivision to read:

Subd. 16. [SCHOOL DISTRICT OR CHARTER SCHOOL DISCLOSURE OF VIOLENCE OR INAPPROPRIATE SEXUAL CONTACT.] The superintendent of a school district, or the superintendent's designee, or a person having administrative control of a charter school must disclose private personnel data relating to any act of violence or inappropriate sexual contact with a student to another school district or charter school that is requesting information, if the commission of that act was documented by an investigation conducted by or on behalf of the school district, charter school, or law enforcement agency and resulted in documented disciplinary action or the resignation of the subject of the data.

[EFFECTIVE DATE.] This section is effective July 1, 2002."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3092, A bill for an act relating to information; requiring release of certain information; changing a deadline; providing employer immunity for reference checks for certain health care providers and facilities; amending Minnesota Statutes 2000, section 13.43, by adding a subdivision; Minnesota Statutes 2001 Supplement, section 245A.07, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 604A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Hilstrom	Lenczewski	Ozment	Stang
Abrams	Dorn	Hilty	Leppik	Paulsen	Swapinski
Anderson, I.	Eastlund	Holsten	Lieder	Pawlenty	Swenson
Bakk	Entenza	Huntley	Lindner	Paymar	Sykora
Bernardy	Erhardt	Jacobson	Lipman	Pelowski	Thompson
Biernat	Erickson	Jaros	Mahoney	Penas	Tingelstad
Bishop	Evans	Jennings	Mares	Pugh	Tuma
Blaine	Finseth	Johnson, J.	Mariani	Rhodes	Wagenius
Boudreau	Folliard	Johnson, R.	Marko	Rifenberg	Walker
Carlson	Fuller	Johnson, S.	Marquart	Rukavina	Walz
Cassell	Gerlach	Jordan	McGuire	Ruth	Wasiluk
Clark, J.	Gleason	Juhnke	Milbert	Schumacher	Westerberg
Clark, K.	Goodno	Kahn	Molnau	Seagren	Westrom
Daggett	Goodwin	Kalis	Mullery	Seifert	Wilkin
Davids	Gray	Kelliher	Murphy	Sertich	Winter
Davnie	Greiling	Knoblach	Ness	Skoe	Workman
Dawkins	Gunther	Kubly	Opatz	Skoglund	Spk. Sviggum
Dehler	Haas	Kuisle	Osskopp	Slawik	
Dempsey	Hackbarth	Larson	Osthoff	Smith	
Dibble	Hausman	Leighton	Otremba	Stanek	

Those who voted in the negative were:

Anderson, B.	Holberg	Kielkucki	Mulder	Vandevveer
Buesgens	Howes	Krinkie	Olson	

The bill was passed, as amended, and its title agreed to.

S. F. No. 1755 was reported to the House.

Davids moved to amend S. F. No. 1755 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1868, the fourth engrossment:

"Section 1. [STUDY; FEASIBILITY OF SCHOOL EMPLOYEE HEALTH INSURANCE PLAN.]

Subdivision 1. [APPROPRIATION.] The commissioner of finance shall transfer \$200,000 from the endowment created in Minnesota Statutes, section 144.395, subdivision 1, to the general fund. Those funds are appropriated to the commissioner of commerce for disbursement to the committee created in subdivision 2 as a grant for the study described in subdivision 3. The appropriation is available the day following final enactment and is available until December 31, 2003.

Subd. 2. [LABOR-MANAGEMENT COMMITTEE.] (a) Eligible statewide affiliates of exclusive representatives of eligible employees, as defined in paragraph (f), with at least 1,500 members statewide are entitled to appoint members to serve on the labor-management health insurance study committee, provided that the total number of such members must be five. These five board positions must be allocated among statewide affiliates proportionally based upon the relative numbers of eligible employees whom they represent.

(b) The Minnesota school boards association is entitled to appoint five members representing eligible employers as defined in paragraph (f).

(c) All appointments must be made no later than 30 days after final enactment of this section.

(d) The committee expires upon completion of the study described in subdivision 3.

(e) The committee may contract to receive services from a state agency or any other entity.

(f) For purposes of this section:

(1) "eligible employee" means a person who is insurance eligible and is employed by an eligible employer, so long as the plan meets the requirements of a governmental plan under United States Code, title 29, section 1002(32); and

(2) "eligible employer" means a school district as defined in section 120A.05, a service cooperative as defined in section 123A.21, an intermediate district as defined in section 136D.01, a cooperative center for vocational education as defined in section 123A.22, a regional management information center as defined in section 123A.23, an education unit organized under section 471.59, or an exclusive representative of employees of an eligible employer or statewide affiliate.

Subd. 3. [DESCRIPTION OF STUDY.] (a) The labor-management health insurance study committee created under subdivision 2 must study the feasibility and desirability of a school employee health insurance plan for the eligible employees of eligible employers. The school employee health insurance plan study must address the issues of costs, coverage provided, financial feasibility and solvency, and management. The study must compare:

(1) purchase of fully insured coverage through a pooling arrangement;

(2) use of a multiple employer welfare arrangement under Minnesota Statutes, chapter 62H; and

(3) coverage otherwise available to school districts through existing sources.

The study must consider health insurance pools of various sizes, including a pool that would include all eligible employers as one option. The study must consider the desirability and effects of the pool on eligible employers of various sizes, financial resources, and geographic locations within the state. The study must include development of a plan, based upon the findings of the study.

(b) The committee must provide, in compliance with Minnesota Statutes, sections 3.195, subdivision 1; and 3.197, a preliminary written report of the study to the legislature no later than December 31, 2002, and a final written report no later than December 31, 2003.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to school employees; providing for a study of the feasibility of a school employee health insurance plan; appropriating money."

The motion prevailed and the amendment was adopted.

Kielkucki and Davids moved to amend S. F. No. 1755, as amended, as follows:

Page 1, line 24, after the period, insert "In addition, the nonpublic education committee created under section 123B.445 is entitled to appoint one member to represent employees of nonpublic schools, and the Minnesota Association of Charter Schools is entitled to appoint one member to represent employees of charter schools."

Page 2, line 2, after the period, insert "In addition, the nonpublic education committee created under section 123B.445 is entitled to appoint one member to represent governing boards of nonpublic schools, and the Minnesota Association of Charter Schools is entitled to appoint one member to represent governing boards of charter schools."

Page 2, line 11, delete everything after "employer"

Page 2, delete line 12

Page 2, line 13, delete everything before the semicolon

Page 2, line 20, after the comma, insert "a nonpublic school, a charter school,"

The motion prevailed and the amendment was adopted.

Olson and Davids moved to amend S. F. No. 1755, as amended, as follows:

Page 3, line 4, after the period, insert "The study must address in detail the issues involved in cost-shifting in the health care and health insurance markets and must estimate the extent to which reduced health care and health insurance costs achieved by a school employees pool would shift the costs to other purchasers of health care and health insurance."

The motion prevailed and the amendment was adopted.

Mullery was excused for the remainder of today's session.

Howes moved to amend S. F. No. 1755, as amended, as follows:

Page 3, after line 11, insert:

"Sec. 2. Minnesota Statutes 2000, section 609.761, is amended by adding a subdivision to read:

Subd. 5. [HIGH SCHOOL ATHLETIC RAFFLES.] Sections 609.755 and 609.76 do not prohibit a raffle, as defined in section 349.12, subdivision 33, conducted by a school district or a nonprofit organization organized primarily to support athletic and related programs of a school district, if the following conditions are complied with:

(1) tickets for the raffle may only be sold and the drawing conducted at a high school athletic event sponsored by a school district;

(2) tickets may only be sold to persons attending the event;

(3) the drawing must be held during or immediately after the conclusion of the event;

(4) one-half of the gross receipts from the sale of tickets must be awarded as prizes for the raffle, and the remaining one-half may only be expended to defray the school district's costs of sending participants in high school athletic events, including athletes and cheerleaders, to athletic events held at other locations."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1755, A bill for an act relating to public employees; establishing a committee to gather information and make recommendations for the design of a school employee health insurance plan; appropriating money.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 109 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Fuller	Jacobson	Lenczewski	Otremba
Abrams	Davnie	Gleason	Jaros	Leppik	Ozment
Anderson, B.	Dawkins	Goodno	Jennings	Lieder	Paulsen
Anderson, I.	Dehler	Goodwin	Johnson, R.	Lipman	Pelowski
Bakk	Dempsey	Gray	Johnson, S.	Mares	Penas
Bernardy	Dibble	Greiling	Jordan	Marko	Pugh
Biernat	Dorman	Gunther	Juhnke	Marquart	Rhodes
Bishop	Dorn	Haas	Kalis	McGuire	Rukavina
Blaine	Eastlund	Hackbarth	Kelliher	Milbert	Ruth
Boudreau	Entenza	Hausman	Kielkucki	Murphy	Schumacher
Carlson	Erhardt	Hilstrom	Knoblach	Ness	Seagren
Cassell	Erickson	Hilty	Kubly	Olson	Seifert
Clark, J.	Evans	Holsten	Kuisle	Opatz	Sertich
Clark, K.	Finseth	Howes	Larson	Osskopp	Skoe
Daggett	Folliard	Huntley	Leighton	Osthoff	Skoglund

Slawik	Stang	Thompson	Wagenius	Westrom
Smith	Swapinski	Tingelstad	Walz	Winter
Solberg	Swenson	Tuma	Wasiluk	Spk. Sviggum
Stanek	Sykora	Vandevveer	Westerberg	

Those who voted in the negative were:

Buesgens	Johnson, J.	Lindner	Molnau	Paymar	Wilkin
Gerlach	Kahn	Mahoney	Mulder	Rifenberg	Workman
Holberg	Krinkie	Mariani	Pawlenty	Walker	

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 2963 was reported to the House.

Dehler moved to amend S. F. No. 2963, the unofficial engrossment, as follows:

Page 7, line 16, delete everything before "under" and insert "secretary of state,"

The motion did not prevail and the amendment was not adopted.

Dibble was excused for the remainder of today's session.

Bishop moved to amend S. F. No. 2963, the unofficial engrossment, as follows:

Page 7, after line 19, insert:

"Sec. 11. [BUDGET FORECAST.]

Prior to the commencement of any special session called to deal with state budget issues before December 1, 2002, the commissioner of finance must prepare and deliver to the legislature and to the governor a new state forecast of revenues and expenditures. To the extent possible, the forecast must be prepared in the same manner as forecasts required under Minnesota Statutes, section 16A.103. The forecast must use the most recent economic and budget information available. The forecast may be for the general fund only."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2963, A bill for an act relating to state government; transferring duties of the state treasurer to the commissioner of finance; amending Minnesota Statutes 2000, sections 7.26; 16A.27, subdivision 5; 16A.626; 35.08; 49.24, subdivisions 13, 16; 84A.11; 84A.23, subdivision 4; 84A.33, subdivision 4; 84A.40; 85A.05, subdivision 2; 94.53; 115A.58, subdivision 2; 116.16, subdivision 4; 116.17, subdivision 2; 126C.72, subdivision 2; 127A.40; 161.05, subdivision 3; 161.07; 167.50, subdivision 2; 174.51, subdivision 2; 176.181, subdivision 2; 176.581; 190.11; 241.08, subdivision 1; 241.10; 241.13, subdivision 1; 244.19, subdivision 7; 246.15, subdivision 1; 246.18, subdivision 1; 246.21; 280.29; 293.06; 352.05; 352B.03, subdivision 2; 354.06, subdivision 3; 354.52, subdivision 5; 385.05; 475A.04; 475A.06, subdivision 2; 481.01; 490.123, subdivision 2; 525.161; 525.841; Minnesota Statutes 2001 Supplement, sections 35.09, subdivision 3; 122A.21; 276.11, subdivision 1; 299D.03, subdivision 5; repealing Minnesota Statutes 2000, section 7.21.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Dauids	Gunther	Kielkucki	Otremba	Stang
Anderson, B.	Davnie	Haas	Krinkie	Ozment	Swapinski
Anderson, I.	Dawkins	Hackbarth	Kuisle	Pelowski	Swenson
Bakk	Dempsey	Hilty	Larson	Penas	Sykora
Bernardy	Dorman	Holberg	Leppik	Pugh	Thompson
Biernat	Dorn	Holsten	Lindner	Rhodes	Tingelstad
Bishop	Eastlund	Howes	Lipman	Rifenberg	Tuma
Blaine	Entenza	Huntley	Mahoney	Rukavina	Wagenius
Boudreau	Erhardt	Jacobson	Mares	Ruth	Walz
Buesgens	Erickson	Jaros	Marko	Seifert	Wasiluk
Carlson	Finseth	Jennings	Milbert	Sertich	Westerberg
Cassell	Fuller	Johnson, J.	Mulder	Skoglund	Westrom
Clark, J.	Gerlach	Johnson, R.	Ness	Slawik	Wilkin
Clark, K.	Goodwin	Johnson, S.	Osskopp	Smith	Workman
Daggett	Greiling	Jordan	Osthoff	Stanek	Spk. Sviggum

Those who voted in the negative were:

Abrams	Gray	Kelliher	Mariani	Opatz	Skoe
Dehler	Hausman	Knoblach	Marquart	Paulsen	Solberg
Evans	Hilstrom	Kubly	McGuire	Pawlenty	Vandever
Folliard	Juhnke	Leighton	Molnau	Paymar	Walker
Gleason	Kahn	Lenczewski	Murphy	Schumacher	Winter
Goodno	Kalis	Lieder	Olson	Seagren	

The bill was passed, as amended, and its title agreed to.

Pawlenty moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3350:

Abeler, Bradley and Huntley.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2738:

Holsten, Finseth and Pugh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3133:

Seifert, Erickson and Pelowski.

Ness and Wagenius were excused for the remainder of today's session.

MOTIONS AND RESOLUTIONS

Gunther moved that S. F. No. 3154, now on the General Register, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Bishop moved that H. F. No. 3722 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Bishop and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dempsey	Hilty	Kuisle	Osskopp	Slawik
Abrams	Dorman	Holberg	Larson	Osthoff	Smith
Anderson, B.	Dorn	Holsten	Leighton	Otremba	Solberg
Anderson, I.	Entenza	Howes	Lenczewski	Ozment	Stanek
Bakk	Erhardt	Huntley	Leppik	Paulsen	Stang
Bernardy	Evans	Jacobson	Lieder	Pawlenty	Swapinski
Biernat	Finseth	Jaros	Lindner	Paymar	Swenson
Bishop	Folliard	Jennings	Lipman	Pelowski	Sykora
Blaine	Fuller	Johnson, J.	Mahoney	Penas	Thompson
Boudreau	Gerlach	Johnson, R.	Mares	Pugh	Tingelstad
Buesgens	Gleason	Johnson, S.	Mariani	Rhodes	Tuma
Carlson	Goodno	Jordan	Marko	Rifenberg	Vandever
Cassell	Goodwin	Juhnke	Marquart	Rukavina	Walker
Clark, J.	Gray	Kahn	McGuire	Ruth	Walz
Clark, K.	Greiling	Kalis	Milbert	Schumacher	Wasiluk
Daggett	Gunther	Kelliher	Molnau	Seagren	Wilkin
Davids	Haas	Kielkucki	Mulder	Seifert	Winter
Davnie	Hackbarth	Knoblach	Murphy	Sertich	Workman
Dawkins	Hausman	Krinkie	Olson	Skoe	Spk. Sviggum
Dehler	Hilstrom	Kubly	Opatz	Skoglund	

Pawlenty moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

POINT OF ORDER

Boudreau raised a point of order pursuant to section 124, paragraph 3, of "Mason's Manual of Legislative Procedure," relating to Personalities Not Permitted in Debate. The Speaker ruled the point of order well taken.

Bishop withdrew his motion relating to H. F. No. 3722.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, May 9, 2002. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, May 9, 2002.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

