

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-SECOND LEGISLATURE

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ONE HUNDRED TENTH DAY

St. Paul, Minnesota, Monday, May 13, 2002

The Senate met at 10:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Bob Hart.

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

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Langseth	Olson	Sams
Bachmann	Higgins	Larson	Ourada	Samuelson
Belanger	Hottinger	Lesewski	Pappas	Scheevel
Berg	Johnson, Dean	Lessard	Pariseau	Scheid
Berglin	Johnson, Debbie	Limmer	Pogemiller	Schwab
Betzold	Johnson, Doug	Lourey	Price	Solon, Y.P.
Chaudhary	Kelley, S.P.	Marty	Ranum	Stevens
Cohen	Kierlin	Metzen	Reiter	Stumpf
Day	Kinkel	Moe, R.D.	Rest	Tomassoni
Dille	Kiscaden	Moua	Ring	Vickerman
Fischbach	Kleis	Murphy	Robertson	Wiener
Foley	Knutson	Neuville	Robling	Wiger
Fowler	Krentz	Oliver	Sabo	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Senators Johnson, Dave; Orfield and Terwilliger were excused from the Session of today.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 9, 2002

The Honorable Don Samuelson  
President of the Senate

Dear President Samuelson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 3384 and 3298.

Sincerely,  
Jesse Ventura, Governor

May 9, 2002

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Don Samuelson  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2002 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2002	Date Filed 2002
3384		363	11:40 a.m. May 9	May 9
3298		364	11:43 a.m. May 9	May 9

Sincerely,  
Mary Kiffmeyer  
Secretary of State

May 10, 2002

The Honorable Don Samuelson  
President of the Senate

Dear President Samuelson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 3463.

Sincerely,  
Jesse Ventura, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 3463.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2002

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

**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.

There has been appointed as such committee on the part of the House:

Davids, Haas and Entenza.

Senate File No. 1755 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2448, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 2448:** A bill for an act relating to government data practices; providing for disclosure by the department of public safety of personal data related to operation of a motor vehicle; amending Minnesota Statutes 2000, section 168.346.

Senate File No. 2448 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2727, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 2727:** A bill for an act relating to natural resources; modifying land acquisition procedures; modifying certain local planning regulations; adding to and deleting from certain state parks and state recreation areas; establishing the Cuyuna Lakes state trail; restricting the taking of fish on certain waters; authorizing public and private sales, conveyances, and exchanges of certain state land; modifying provisions for sale of tax-forfeited land; appropriating money; amending Minnesota Statutes 2000, sections 84.0272; 85.015, by adding a subdivision; 97C.025; 282.018, subdivision 1; 394.36, by adding a subdivision; 462.357, by adding a subdivision.

Senate File No. 2727 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3246, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 3246:** A bill for an act relating to trade practices; limiting unsolicited telephone calls to certain individuals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325E.

Senate File No. 3246 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 2002

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 2598:

Delete the name of Anderson, B. and add the name of Johnson, J.

Edward A. Burdick, Chief Clerk, House of Representatives

May 9, 2002

### REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3468, 3455 and 3469, and the reports pertaining to appointments. The motion prevailed.

**Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 3092** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

#### GENERAL ORDERS

H.F. No.	S.F. No.
3092	3085

#### CONSENT CALENDAR

H.F. No.	S.F. No.
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#### CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3092 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3092 and insert the language after the enacting clause of S.F. No. 3085, the third engrossment; further, delete the title of H.F. No. 3092 and insert the title of S.F. No. 3085, the third engrossment.

And when so amended H.F. No. 3092 will be identical to S.F. No. 3085, and further recommends that H.F. No. 3092 be given its second reading and substituted for S.F. No. 3085, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was re-referred**

**S.F. No. 3468:** A resolution memorializing the President, Congress, and the Governor to ensure that international trade agreements respect the traditional authority of state and local governments to protect the public interest.

Reports the same back with the recommendation that the resolution do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred**

**S.F. No. 3455:** A resolution urging Congress to support the creation of a National Affordable Housing Trust Fund.

Reports the same back with the recommendation that the resolution do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred**

**S.F. No. 3469:** A resolution memorializing the Governor to convey the concerns of the people of Minnesota regarding human rights abuses committed by the government of the People's Republic of China.

Reports the same back with the recommendation that the resolution do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for January 29, 2002:**

MINNESOTA HOUSING FINANCE AGENCY

Peter Bernier

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for February 7, 2002:**

DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER

Shirley Chase

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for February 22, 2002:**

MINNESOTA HOUSING FINANCE AGENCY

Michael Finch

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF HOUSE BILLS**

H.F. No. 3092 was read the second time.

**MOTIONS AND RESOLUTIONS****Senator Lourey introduced--**

**Senate Resolution No. 253:** A Senate resolution congratulating Owen Branson of Moose Lake, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Pogemiller moved that H.F. No. 2498 be taken from the table. The motion prevailed.

**H.F. No. 2498:** A bill for an act relating to the financing and operation of government in this state; providing a sales tax rebate; providing property tax reform; making changes to income, franchise, sales and use, property, motor vehicle sales, motor vehicle registration, mortgage registry, deed, motor fuels, cigarette and tobacco, liquor, insurance premiums, lawful gambling, minerals, estate, and special taxes; changing and allowing tax credits, subtractions, and exemptions, including an income tax subtraction for capital gains; providing a biomedical innovation initiative; conforming with changes in federal income tax provisions; providing for allocation and apportionment of income; imposing a state general tax levy on certain property; providing a property tax homestead credit; imposing general levy limits; providing for property tax levy reverse referenda; changing property tax valuation, assessment, levy, classification, homestead, credit, aid, exemption, deferral, review, appeal, abatement, and distribution provisions; abolishing certain property tax levies for transit and establishing a transit fund; providing and modifying certain aids to local units of government; changing levy authority; reducing certain utility taxes and requiring a corresponding rate reduction; changing certain provisions relating to biomass facilities; providing for disposition of local lodging tax proceeds; providing priorities for disposition of production tax proceeds by the iron range resources and rehabilitation board; providing for certain payments in lieu of taxes; reducing rates on lawful gambling taxes; reducing rates on solid waste management taxes; providing for state takeover of certain costs of district court administration and out-of-home placement; providing for uniform sales and use tax administration; providing for taxation and incentive payments on forest lands; providing for electronic filing and payment of taxes; changing procedures for disposition of seized contraband; abolishing certain health care provider taxes and health plan premium taxes; providing for deposit of certain tobacco settlement and cigarette tax proceeds to the health care access fund; changing tax increment financing provisions and authorizing certain grants, duration extensions, and expenditures; requiring registration of tax increment financing consultants; creating a health care access fund reserve; reducing the tax on life insurance premiums; increasing property tax refunds and changing calculation of rent constituting property taxes for purposes of property tax refunds; reducing taconite production tax and occupation tax rates; providing special authority to certain political subdivisions; authorizing special taxing districts; changing and clarifying tax administration, collection, enforcement, interest, and penalty provisions; changing revenue recapture provisions; authorizing abatements and waivers of fees and certain taxes in disaster areas; changing and imposing fees; changing debt collection provisions for student loans; providing certain duties and powers to the commissioner of revenue; authorizing publication of names of certain delinquent taxpayers; authorizing border city allocations; changing provisions relating to tax-forfeited lands and providing for tax-forfeited lands transfers; defining terms; classifying data; establishing a legislative commission; requiring studies; imposing a criminal penalty; appropriating money; amending Minnesota Statutes 2000, sections 16D.08, subdivision 2; 62J.041, subdivision 1; 62Q.095, subdivision 6; 69.021, subdivision 5; 84.922, by adding a subdivision; 88.49, subdivisions 5, 9a; 88.491, subdivision 2; 97A.065, subdivision 2; 103D.905, subdivision 3; 115B.24, subdivision 2; 123B.55; 126C.01, subdivision 3; 126C.13, subdivision 4; 126C.17, by adding a subdivision; 144.3831, subdivision 2; 168.013, subdivision 1a; 174.24, subdivision 3b; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 214.16, subdivisions 2, 3; 216B.2424, subdivision 5; 239.101, subdivision 3; 260.765, by adding a subdivision; 260.771, by adding a subdivision; 270.06; 270.07, subdivision 3; 270.11, by adding a subdivision; 270.12, subdivision 2; 270.271, subdivisions 1, 3; 270.60, subdivision 4, by adding a subdivision; 270.70, subdivision 13; 270.73, subdivision 1; 270.771; 270.78; 270A.03, subdivisions 5, 7; 270A.11; 270B.01, subdivision 8; 270B.02, subdivisions 2, 3; 270B.03,

subdivision 6; 270B.14, subdivision 1; 271.01, subdivision 5; 271.21, subdivision 2; 272.02, subdivisions 9, 10, 22, by adding subdivisions; 273.061, subdivisions 1, 2, 8; 273.072, subdivision 1; 273.11, subdivisions 1a, 14, by adding subdivisions; 273.1104, subdivision 2; 273.111, subdivision 4; 273.121; 273.124, subdivisions 8, 13, 14; 273.13, subdivisions 22, 23, 24, 25, 31; 273.1392; 273.1393; 273.1398, subdivisions 1a, 4a, by adding subdivisions; 274.01, subdivision 1; 274.13, subdivision 1; 275.02; 275.065, subdivisions 1, 3, 5a, 6, 8, by adding a subdivision; 275.066; 275.07, subdivision 1; 275.16; 275.62, subdivision 1; 275.70, subdivision 5, by adding subdivisions; 276.04, subdivision 2; 276.11, subdivision 1; 276A.01, subdivision 3; 276A.06, subdivision 3; 282.01, subdivisions 1a, 1b; 282.04, subdivision 2; 287.035; 287.04; 287.08; 287.12; 287.13, by adding a subdivision; 287.20, subdivisions 2, 9; 287.21, subdivision 1; 287.28; 289A.02, subdivision 7, by adding a subdivision; 289A.08, subdivision 16; 289A.11, subdivision 1; 289A.12, subdivision 3; 289A.18, subdivision 4; 289A.20, subdivisions 1, 2, 4; 289A.26, subdivision 2a; 289A.31, subdivision 7; 289A.50, subdivisions 2, 2a; 289A.60, subdivisions 7, 21; 290.01, subdivisions 6b, 7, 19, 19b, 19c, 19d, 22, 29, 31, by adding a subdivision; 290.014, subdivision 5; 290.05, subdivision 1; 290.06, subdivisions 2c, 22; 290.067, subdivisions 1, 2, 2b; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivisions 1, 2; 290.0675, subdivisions 1, 3; 290.068, subdivisions 1, 3, 4; 290.091, subdivisions 2, 3; 290.0921, subdivisions 1, 2, 3, 6; 290.0922, subdivision 2; 290.093; 290.095, subdivision 2; 290.17, subdivisions 1, 4; 290.191, subdivisions 2, 3; 290.21, subdivision 4; 290.9725; 290A.03, subdivisions 6, 11, 12, 13, 15; 290A.04, subdivisions 2, 2a, 4; 290A.15; 291.005, subdivision 1; 295.55, subdivision 4; 296A.15, subdivisions 1, 7; 296A.16, subdivision 2; 296A.21, subdivisions 1, 4; 296A.24, subdivisions 1, 2; 297A.01, subdivision 3; 297A.07, subdivision 3; 297A.25, subdivisions 3, 11, 28; 297A.61, subdivisions 2, 3, 4, 6, 7, 9, 10, 12, 14, 16, 17, 19, 22, 23, by adding subdivisions; 297A.62, subdivision 3; 297A.64, subdivisions 3, 4; 297A.66, subdivisions 1, 3; 297A.67, subdivisions 2, 8, 23, 24, 25, by adding subdivisions; 297A.68, subdivisions 2, 3, 5, 11, 13, 14, 18, 25, by adding subdivisions; 297A.69, subdivision 2; 297A.70, subdivisions 1, 2, 3, 4, 7, 8, 10, 13, 14; 297A.71, subdivisions 3, 6, by adding subdivisions; 297A.72, subdivision 1; 297A.75; 297A.77, subdivision 1; 297A.80; 297A.82, subdivision 3, by adding a subdivision; 297A.89, subdivision 1; 297A.90, subdivision 1; 297A.91; 297A.92, subdivision 2; 297A.94; 297A.99, subdivisions 7, 9, 11; 297B.03; 297B.09, subdivision 1; 297E.02, subdivisions 1, 4, 6; 297E.16, subdivisions 1, 2; 297F.09, subdivision 7; 297F.10, subdivision 1; 297F.16, subdivision 4; 297F.20, subdivision 3; 297F.21, subdivisions 1, 2, 3; 297G.09, subdivision 6; 297G.15, subdivision 4; 297G.16, subdivisions 5, 7; 297G.20, subdivisions 3, 4; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2, by adding a subdivision; 297H.05; 297H.06, by adding a subdivision; 297H.13, by adding a subdivision; 297I.05, by adding a subdivision; 297I.15, by adding a subdivision; 297I.20; 297I.35, subdivision 2; 297I.40, subdivisions 1, 2, 7; 297I.85, subdivision 7; 298.01, subdivisions 3, 3a, 3b, 4, 4a, 4c; 298.22, subdivision 2, by adding a subdivision; 298.225, subdivision 1; 298.24, subdivision 1; 298.27; 298.28, subdivisions 6, 9a; 298.2961, subdivision 2; 298.75, subdivisions 1, 2, by adding a subdivision; 299D.03, subdivision 5; 345.41; 345.42, by adding a subdivision; 349.19, subdivision 2a; 357.021, subdivision 1a; 461.12, by adding a subdivision; 469.040, subdivision 5; 469.169, by adding a subdivision; 469.1732, subdivision 1; 469.174, subdivisions 1, 3, 10, 10a, 12, 25; 469.175, subdivisions 1, 3, 6, 6b, by adding a subdivision; 469.176, subdivisions 1b, 1c, 1e, 3, 4, 4g, by adding a subdivision; 469.1763, subdivision 6; 469.177, subdivisions 1, 11, by adding a subdivision; 469.1771, subdivision 1; 469.178, by adding a subdivision; 469.1791, subdivisions 1, 3, 9; 469.1812, subdivision 2; 469.1813, subdivisions 4, 6; 469.190, subdivision 3; 469.202, subdivision 2; 473.388, subdivisions 4, 7; 473.446, subdivision 1, by adding a subdivision; 473.843, subdivision 3; 473F.08, subdivision 3; 473H.10, subdivision 3; 475.58, subdivision 1; 477A.011, subdivisions 35, 36; 477A.0121, by adding a subdivision; 477A.0122, by adding a subdivision; 477A.013, subdivisions 1, 9; 477A.03, subdivision 2, by adding a subdivision; 477A.12; 477A.14; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1; Laws 1986, chapter 396, section 5; Laws 1997, chapter 231, article 10, section 25; Laws 1998, chapter 389, article 16, section 35, subdivision 1; Laws 1999, chapter 216, article 7, section 46, subdivision 3; Laws 1999, chapter 243, article 4, section 19; Laws 2000, chapter 490, article 8, section 17; Laws 2000, chapter 490, article 11, section 26; proposing coding for new law in Minnesota Statutes, chapters 3; 12; 16A; 62Q; 103B; 116J; 123B; 144F; 245; 256L; 270; 272; 273; 275; 290; 290A; 295; 296A; 297A; 469; 471; 473; 477A; 480; 484; proposing coding for new law as Minnesota Statutes, chapters 126C; 216B; 290C; repealing Minnesota Statutes 2000, sections 13.4967, subdivision 3; 16A.1521; 16A.76;

62T.10; 126C.13, subdivisions 1, 2, 3; 144.1484, subdivision 2; 256L.02, subdivision 3; 270.31; 270.32; 270.33; 270.34; 270.35; 270.36; 270.37; 270.38; 270.39; 273.13, subdivision 24a; 273.1382; 273.1399; 275.078; 275.08, subdivision 1e; 289A.60, subdivision 15; 290.06, subdivisions 25, 26; 290.0673; 290.095, subdivisions 1a, 7; 290.191, subdivision 4; 290.21, subdivision 3; 290.23; 290.25; 290.31, subdivisions 2, 2a, 3, 4, 5, 19; 290.35; 290.9726, subdivision 7; 290A.04, subdivision 2j; 290A.18, subdivision 2; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.582; 295.59; 296A.16, subdivision 6; 296A.24, subdivision 3; 297A.61, subdivision 16; 297A.62, subdivision 2; 297A.64, subdivision 1; 297A.68, subdivision 21; 297A.71, subdivisions 2, 15, 16, 21; 297B.032; 297E.16, subdivision 3; 297F.21, subdivision 4; 297G.20, subdivision 5; 297I.05, subdivisions 5, 8; 297I.30, subdivision 3; 298.01, subdivisions 3c, 3d, 4d, 4e; 469.1732, subdivision 2; 469.1734, subdivision 4; 469.1782, subdivision 1; 473.446, subdivision 8; Laws 1988, chapter 426, section 1; Laws 1988, chapter 702, section 16; Laws 1992, chapter 511, article 2, section 52, as amended; Laws 1996, chapter 471, article 8, section 45; Laws 1999, chapter 243, article 6, section 14; Laws 1999, chapter 243, article 6, section 15; Laws 2000, chapter 490, article 6, section 17; Minnesota Rules, parts 8120.0200; 8120.0500; 8120.0700; 8120.0900; 8120.1300; 8120.1600; 8120.2000; 8120.2100; 8120.2200; 8120.2300; 8120.2500; 8120.2700; 8120.2800; 8120.3000; 8120.3200; 8120.4300; 8120.4400; 8120.4500; 8120.4600; 8120.4900; 8120.5000; 8120.5100; 8120.5300.

Senator Pogemiller moved that the Senate accede to the request of the House on H.F. No. 2498 and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

### RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

### MOTIONS AND RESOLUTIONS - CONTINUED

### RECONSIDERATION

Senator Moe, R.D., for Senator Pogemiller, moved that the vote whereby the Pogemiller motion on H.F. No. 2498 was adopted on May 13, 2002, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Senator Moe, R.D., for Senator Pogemiller, then moved that the Senate accede to the request of the House on H.F. No. 2498 and that a new Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate to act with a like Conference Committee appointed on the part of the House. The motion prevailed.



**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 3270:

Delete the name of Seagren and add the name of Cassell.

Edward A. Burdick, Chief Clerk, House of Representatives

May 13, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3203, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3203 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 2002

**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 ~~100~~ 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 pays 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, ~~not 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 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 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~~ in the 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~~ in the 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~~ 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 in a 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.

(e) 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 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; ~~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."

~~(e)~~ (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. [REVOCATION.] "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. [RECIPROCITY.] (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 limitations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive 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: (Signed) William Kuisle, James T. Clark, Sharon Marko

Senate Conferees: (Signed) Steve Murphy, David H. Johnson

Senator Murphy moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3203 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3203 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 47 and nays 6, as follows:

Those who voted in the affirmative were:

Berg	Higgins	Lesewski	Price	Schwab
Berglin	Johnson, Dean	Limmer	Ranum	Solon, Y.P.
Betzold	Kelley, S.P.	Marty	Rest	Stumpf
Cohen	Kierlin	Metzen	Ring	Tomassoni
Day	Kiscaden	Moe, R.D.	Robertson	Vickerman
Dille	Kleis	Moua	Robling	Wiener
Fischbach	Knutson	Murphy	Sams	Wiger
Foley	Krentz	Neuville	Samuelson	
Fowler	Langseth	Oliver	Scheevel	
Frederickson	Larson	Pappas	Scheid	

Those who voted in the negative were:

Johnson, Debbie	Ourada	Pariseau	Reiter	Stevens
Olson				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 2392 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 2392**

A bill for an act relating to public safety; modifying emergency 911 telephone system provisions to establish emergency 911 telecommunications system; amending Minnesota Statutes 2000, sections 403.01; 403.02, subdivisions 3, 6, 7, by adding subdivisions; 403.05; 403.06; 403.07; 403.08; 403.09; 403.10, subdivision 1; 403.11, subdivisions 3, 4, by adding subdivisions; 403.113, subdivision 1; Minnesota Statutes 2001 Supplement, section 403.11, subdivision 1; repealing Minnesota Statutes 2000, sections 403.04; 403.11, subdivision 2; 403.113, subdivision 5; 403.12, subdivision 1; 403.13; 403.14; Minnesota Rules, parts 1215.0400; 1215.0600; 1215.0700; 1215.1200, subpart 3; 1215.1500.

May 8, 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. 2392, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

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

Senate Conferees: (Signed) James P. Metzen, Steve Kelley, Mark Ourada

House Conferees: (Signed) Mike Osskopp, Jim Rhodes, Dale Walz

Senator Metzen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2392 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2392 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, Dean	Lessard	Pariseau	Scheid
Berg	Johnson, Debbie	Limmer	Pogemiller	Solon, Y.P.
Berglin	Kelley, S.P.	Marty	Price	Stevens
Betzold	Kierlin	Metzen	Ranum	Stumpf
Cohen	Kinkel	Moe, R.D.	Reiter	Tomassoni
Day	Kiscaden	Moua	Rest	Vickerman
Dille	Kleis	Murphy	Ring	Wiener
Fischbach	Knutson	Neuville	Robertson	Wiger
Foley	Krentz	Oliver	Robling	
Fowler	Langseth	Olson	Sams	
Frederickson	Larson	Ourada	Samuelson	
Higgins	Lesewski	Pappas	Scheevel	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Johnson, Doug moved that the following members be excused for a Conference Committee on H.F. No. 3270 at 11:30 a.m.:

Senators Johnson, Doug; Berglin; Pogemiller; Price and Day. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

#### Senator Kiscaden introduced--

**S.F. No. 3472:** A bill for an act relating to crime prevention; providing for the mandatory issuance of permits to carry pistols to certain individuals; providing criminal penalties; appropriating money; amending Minnesota Statutes 2000, sections 609.66, subdivision 1d; 624.714, subdivisions 2, 3, 4, 6, 7, 8, 10, 12, by adding subdivisions; repealing Minnesota Statutes 2000, section 624.714, subdivisions 1, 5.

Referred to the Committee on Crime Prevention.



**Senators Pappas, Metzen, Anderson, Higgins and Limmer introduced--**

**S.F. No. 3473:** A bill for an act relating to financial institutions; permitting consideration of consumer lending practices in designation of depositories of public funds; amending Minnesota Statutes 2000, section 9.031, by adding a subdivision.

Referred to the Committee on Commerce.

**Senator Samuelson introduced--**

**S.F. No. 3474:** A bill for an act relating to education finance; enhancing the debt service equalization aid program; appropriating money; amending Minnesota Statutes 2001 Supplement, sections 123B.53, subdivisions 4, 5; 123B.54.

Referred to the Committee on Education.

**RECESS**

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

**APPOINTMENTS**

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2498: Senators Pogemiller; Johnson, Doug; Berglin; Day and Price.

H.F. No. 3350: Senators Kiscaden, Hottinger and Cohen.

S.F. No. 2572: Senators Hottinger, Fowler and Frederickson.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 3127 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 3127:** A bill for an act relating to retirement; various retirement plans; clarifying the laws applicable to the remaining local police and paid firefighter pension plans; repealing obsolete local police and paid firefighter pension plan laws; authorizing service credit purchase for certain strike periods; providing public employee pension coverage for certain foreign citizens; clarifying membership eligibility and allowable service credit for the public employees retirement association; requiring membership for charter school teachers in the teachers retirement association; providing for the payment of unpaid closed charter school retirement contributions from charter school lease aid; eliminating contribution rate increases in the local government correctional service retirement plan; establishing provisions relating to employees of the Kanabec hospital if the hospital is privatized; extending the expiration date for certain prior service credit purchase authorizations; recodifying social security coverage provisions; implementing recommended changes in salary actuarial assumptions; clarifying the restrictions on supplemental

and local pension plans for plans funded from accumulated sick and vacation leave; reorganizing the revising various general retirement provisions; instructing the revisor of statutes; authorizing the commissioner of administration to lease pension fund facilities to deferred compensation service providers; authorizing certain volunteer firefighters to receive service pensions or disability benefits without terminating active service; creating the coordinated program for the legislators retirement plan; providing a second social security referendum for legislators; modifying Minneapolis police optional annuity provision; modifying voluntary unpaid leave of absence provision for state employees; providing for an extension of the rule of 90 benefit tier for the teachers retirement association and the Duluth teachers retirement fund association; changing the effective date for certain modifications to the judges retirement plan; amending Minnesota Statutes 2000, sections 69.77; 69.80; 353.01, by adding a subdivision; 353.64, subdivision 7a; 353A.08, subdivision 6a; 353E.02, subdivision 1, by adding a subdivision; 353E.03; 353F.02, subdivision 4; 354.05, subdivision 38; 354.44, subdivision 6; 354A.011, subdivisions 15A, 27; 354A.31, subdivisions 4a, 5, 6, 7; 355.01, subdivisions 1, 3, 6, 8, by adding subdivisions; 355.02; 355.03; 355.05; 355.07; 355.08; 356.001; 356.20, subdivisions 1, 2, 3, 4, 4a; 356.215, as amended; 356.216; 356.217; 356.219; 356.22; 356.23; 356.24, subdivisions 1b, 1c, 2; 356.245; 356.25; 356.30; 356.302; 356.303; 356.32; 356.40; 356.41; 356.50; 356.55, as amended; 356.551; 356.611; 356.65, subdivision 2; 356.87; 356.89, subdivision 3; 423A.17; 423A.171; 423B.09, subdivision 6; 424A.02, subdivision 1; 424A.09; Minnesota Statutes 2001 Supplement, sections 352.01, subdivision 11; 353.01, subdivisions 2a, 2b, 11b, 16; 353.27, subdivisions 4, 11; 354.05, subdivisions 2, 13; 356.24, subdivision 1; 356.555; 356.62; 356.65, subdivision 1; Laws 1997, chapter 202, article 2, section 61, as amended; Laws 1999, chapter 222, article 16, section 16; Laws 2000, chapter 461, article 10, section 3, as amended; Laws 2000, chapter 461, article 12, section 20; Laws 2000, chapter 461, article 18, section 10; Laws 2001, First Special Session chapter 10, article 6, section 21; proposing coding for new law in Minnesota Statutes, chapters 3A; 355; 356; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 2000, sections 69.25; 69.26; 69.27; 69.28; 69.29; 69.30; 69.32; 69.361; 69.37; 69.38; 69.39; 69.40; 69.41; 69.42; 69.43; 69.44; 69.45; 69.46; 69.47; 69.48; 69.49; 69.50; 69.51; 69.52; 69.53; 69.62; 69.78; 297I.10, subdivision 2; 355.01, subdivisions 2, 4, 5, 9, 10; 355.11; 355.12; 355.13; 355.14; 355.15; 355.16; 355.17; 355.201; 355.202; 355.203; 355.204; 355.205; 355.206; 355.207; 355.208; 355.209; 355.21; 355.22; 355.23; 355.24; 355.25; 355.26; 355.27; 355.28; 355.281; 355.282; 355.283; 355.284; 355.285; 355.286; 355.287; 355.288; 355.29; 355.291; 355.292; 355.293; 355.294; 355.295; 355.296; 355.297; 355.298; 355.299; 355.30; 355.311; 355.391; 355.392; 355.393; 355.41; 355.42; 355.43; 355.44; 355.45; 355.46; 355.48; 355.49; 355.50; 355.51; 355.52; 355.54; 355.55; 355.56; 355.57; 355.58; 355.59; 355.60; 355.61; 355.621; 355.622; 355.623; 355.624; 355.625; 355.626; 355.627; 355.628; 355.71; 355.72; 355.73; 355.74; 355.75; 355.76; 355.77; 355.78; 355.79; 355.80; 355.81; 355.90; 356.19; 356.305; 356.306; 356.31; 356.325; 356.35; 356.36; 356.37; 356.371, subdivisions 2, 3; 356.372; 356.38; 356.39; 356.45; 356.451; 356.452; 356.453; 356.454; 356.455; 356.615; 356.71; 356.80; 356.81; 356.86; 356.865; 356.88; 356.89; 423.37; 423.371; 423.372; 423.373; 423.374; 423.375; 423.377; 423.378; 423.379; 423.38; 423.381; 423.382; 423.383; 423.384; 423.385; 423.386; 423.387; 423.388; 423.389; 423.39; 423.391; 423.392; 423.801; 423.802; 423.803; 423.804; 423.805; 423.806; 423.808; 423.809; 423.810; 423.812; 423.813; 423.814; 423.90; 423A.03; 424.01; 424.02; 424.03; 424.04; 424.05; 424.06; 424.08; 424.14; 424.15; 424.16; 424.165; 424.17; 424.18; 424.19; 424.20; 424.21; 424.22; 424.23; 424.24; 424.25; 424.27; 424.28; 424.29; Minnesota Statutes 2001 Supplement, sections 353.01, subdivision 39; 356.371, subdivision 1; 356.866; Special Session Laws 1889, chapter 425; Special Session Laws 1891, chapter 11; Laws 1897, chapters 389; 390; Laws 1915, chapter 68; Laws 1917, chapter 196; Laws 1919, chapters 68, 515; Laws 1921, chapter 118; Laws 1923, chapter 54; Laws 1925, chapter 197; Laws 1931, chapter 48; Laws 1933, chapter 122; Laws 1935, chapters 92; 192; 208; 259; Laws 1937, chapters 132; 197; 253; Laws 1939, chapters 124; 304; Laws 1941, chapters 74; 182; 196; Laws 1943, chapters 170; 267; 397; 413; 432; Laws 1945, chapters 74; 182; 277; 300; Laws 1947, chapters 40; 43; 101; 274; 329; Laws 1949, chapters 87; 144; 153; 154; 164; 191; 235; 281; 378; Laws 1951, chapters 43; 45; 48; 144; 233; 243; 420; 435; 499; Laws 1953, chapters 37; 44; 91; 235; 253; 348; 391; 401; 406; Laws 1955, chapters 42; 49; 75; 151; 187; 188; 293; 294; 348; 375; 827; Laws 1957, chapters 10; 16; 36; 127; 144; 164; 256; 257; 455; 630; 793; Laws 1959, chapters 108; 131; 191; 207; 208; 211; 437; Laws 1961, chapters 186; 290; 295; 300; 343; 376; 399; 434; 435, section 2; 443; 620; 631; 747; Extra Session Laws 1961, chapters 28; 80; Laws 1963, chapters 36; 208; 221; 271; 443;

453; 454; 464; 619; 636; 643; 670; 715; Laws 1965, chapters 174; 179; 190; 418; 457; 458; 465; 498; 536; 540; 594; 604; 605; 636; 790; Laws 1967, chapters 644; 678; 702; 708; 730; 732; 736; 751; 775; 783; 798; 807; 816; 848; Laws 1969, chapters 138; 442; 443; 552; 576; 594; 614; 641; 668; 669; 670; 671; 672; 686; 694; 716; 849; 1087; Laws 1971, chapters 51; 178; 407; 549; 614; 807; 809; 810; Extra Session Laws 1971, chapter 41; Laws 1973, chapters 286; 287; 346; 359; 432; 433; 587; Laws 1974, chapters 251; 382; Laws 1975, chapters 120; 121; 127; 254, sections 1, 2, 3, 4, 5, 6; 368, section 54; 389; 408; 423; 424; 425; Laws 1976, chapters 36; 78; 85; 99; 247; Laws 1977, chapters 83; 164, sections 1, 3; 169; 270; 275; 374, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60; 429, section 62; Laws 1978, chapters 563, sections 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30; 579; 648; 690, sections 9, 10; 793, section 96; Laws 1979, chapters 131, section 3; 216, sections 2, 7, 8, 9, 10; 600, sections 11, 12, 13, 14, 15, 16, 17, 18, 22; 607, article XV, section 23; Laws 1981, chapter 68, sections 31, 32, 33, 34, 35, 36, 37, 41, 42, 43; Laws 1981, chapter 224, sections 236, 237, 239, 240, 243, 244, 247, 248, 252, 253, 258, 259, 260, 261, 263, 264, 265, 266, 267, 268, 270, 272, 273; Laws 1981, chapter 297, sections 1, 2; Laws 1982, chapters 402; 443; 574, sections 3, 4, 5, 6, 8; 578, article II, section 1, subdivision 8, article III, section 18; 610, sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20; Laws 1983, chapters 47; 74; 84, section 1; 291, sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; Laws 1984, chapter 574, sections 18, 19, 20, 22, 23, 24, 25, 26, 33; Laws 1985, chapters 259, sections 5, 6; 261, sections 14, 15, 16, 18, 20, 32, 33, 34, 35, 36; Laws 1985, First Special Session chapter 16, article 2, section 6; Laws 1986, chapters 359, sections 22, 23, 24, 25; 458, sections 23, 34; Laws 1987, chapter 372, article 2, sections 7, 8, 9, 10, 12; Laws 1988, chapter 709, articles 8, section 5; 9, section 5; Laws 1989, chapter 319, article 11, sections 2, 3, 4, 12; Laws 1990, chapter 589, article 1, section 7; Laws 1991, chapters 96; 269, article 2, sections 12, 13; Laws 1992, chapters 392, section 1; 393, section 1; 422; 431, section 1; 448; 455; 563, sections 3, 4, 5; 586, section 1; Laws 1993, chapters 72; 110; 112, section 2; 126; 202, article 1; Laws 1994, chapters 409; 410; 474; 490; 541, section 3; Laws 1995, chapter 262, article 10, section 4; Laws 1996, chapter 448, article 2, section 1; Laws 1997, chapter 233, article 1, section 58; Laws 1997, chapter 241, article 2, sections 2, 3, 4, 5, 6, 9, 10, 11, 13, 14, 15, 20; Laws 1999, chapter 222, article 3, section 6; Laws 2000, chapter 461, article 10, section 2.

Senator Johnson, Dean moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 49, line 24, after the period, insert "The forecasted amount of charter school lease aid must not be adjusted to reflect the amount remitted under this section. Rather, charter school lease aid must be prorated by the amount remitted."

The motion prevailed. So the amendment was adopted.

Senator Johnson, Dean then moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after line 11, insert:

"Sec. 3. [MSRS-GENERAL; ACCELERATED OPTIONAL ANNUITY FORM.]

(a) An eligible person described in paragraph (b) is entitled to elect from the general state employees retirement plan of the Minnesota state retirement system the actuarial equivalent accelerated optional annuity form specified in paragraph (c).

(b) An eligible person is a person who:

(1) was born on October 13, 1943;

(2) was employed as a teacher by the Benson public schools from August 1967 to June 1969;

(3) was employed as a teacher by the Richfield public schools from January 1, 1971, to June 1973; and

(4) was initially employed by the office of the legislative auditor on October 14, 1985, and remains an employee of the office of the legislative auditor.

(c) The board of directors of the Minnesota state retirement system shall establish an accelerated optional retirement annuity for the eligible person. The accelerated optional retirement annuity form must replicate to the extent practicable the accelerated optional retirement annuity form that would apply to the eligible person by the teachers retirement association. The optional annuity form must be the actuarial equivalent of the eligible person's single life annuity. The accelerated optional retirement annuity form must be established prior to October 1, 2002. The cost of the actuarial calculations of the consulting actuary retained by the legislative commission on pensions and retirement is payable by the general state employees retirement plan and the plan must be reimbursed by the eligible person for those costs upon notification by the executive director of the Minnesota state retirement system."

Page 173, line 13, delete "and 2" and insert ", 2, and 3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Day moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after line 11, insert:

"Sec. 3. [SURVIVOR BENEFIT FOR DECEASED PUBLIC EMPLOYEES RETIREMENT ASSOCIATION POLICE AND FIRE PLAN MEMBER.]

Subdivision 1. [APPLICATION.] An eligible individual under subdivision 2 is eligible to receive the benefit specified in subdivision 3 upon satisfying requirements specified in subdivision 4.

Subd. 2. [ELIGIBILITY.] An eligible individual is a surviving spouse of a deceased previous member of the public employees retirement association police and fire plan who:

(1) was born on October 10, 1933;

(2) was injured on April 29, 1977, while performing duties as the chief of police for the city of Hayfield;

(3) was incorrectly diagnosed in March 1978 as having amyotrophic lateral sclerosis;

(4) received a refund of employee contributions to the public employees retirement association police and fire plan; and

(5) died on March 13, 1999, from conditions resulting from the April 29, 1977, injury.

Subd. 3. [BENEFIT AMOUNT.] (a) The benefit amount is the amount specified in paragraph (b) plus the amount specified in paragraph (c).

(b) The executive director of the public employees retirement association must compute the present value, on the first of the month following the date all requirements under subdivision 4 are satisfied, of duty-related disability benefits assuming that the public employees retirement

association board had concluded that the deceased chief of police for the city of Hayfield, as described in subdivision 2, met the requirements of Minnesota Statutes 1978, section 353.656, subdivision 1, for disability benefits due to duty-related injury. The computation must assume that the disability benefit would have been paid from the first of the month following the determination of the public employees retirement association board that the deceased chief of police for the city of Hayfield, described in subdivision 2, met the requirements of Minnesota Statutes 1978, section 353.656, subdivision 1, until the individual's death on March 13, 1999. The computation must include any increases or other adjustments payable under the Minnesota postretirement investment fund or its predecessor fund or funds. The disability benefits assumed in the computation must be reduced by any workers' compensation benefits paid or payable, if required under applicable law. The executive director must subtract, from the present value, the present value of the refund plus any applicable interest that was paid to the now deceased employee. The computations under this paragraph must assume 8.5 percent interest, compounded annually. The computations must also assume election of a 100 percent joint-and-survivor optional annuity at the earliest opportunity authorized under public employees retirement association law or administrative procedure. The amount determined under this paragraph is payable on the first of the month following the date all requirements under subdivision 4 are satisfied.

(c) An annuity is payable to the eligible individual under subdivision 2, computed assuming the deceased police officer had elected a 100 percent joint-and-survivor annuity. The annuity accrues from April 1, 1999. Any amounts representing monthly annuity payments prior to the date all requirements under subdivision 4 are met are payable as a lump sum amount, including 8.5 percent interest compounded annually, payable on the first of the month following the date all requirements under subdivision 4 are met. The executive director is authorized to transfer assets representing the full actuarial reserves for the annuity authorized under this paragraph from the public employees retirement association police and fire fund to the Minnesota postretirement investment fund.

Subd. 4. [ADMINISTRATIVE HEARING; OTHER REQUIREMENTS.] (a) The public employees retirement association shall hold an administrative hearing under Minnesota Statutes, sections 14.57 to 14.62, to determine whether the previous member of the public employees retirement association police and fire fund plan described in subdivision 2 died from conditions resulting from the April 29, 1997, injury. Notice of the hearing must be provided within 30 days of the effective date of this section and the hearing must be held as soon as practicable after the notice is provided. The findings of the administrative law judge must be filed with the executive director of the public employees retirement association, the eligible individual under subdivision 2, and the executive director of the legislative commission on pensions and retirement.

(b) Benefits are payable under this section if the administrative law judge concludes that the individual's death on March 13, 1999, was caused by conditions resulting from the April 29, 1977, injury.

(c) The eligible individual under subdivision 2 must provide the executive director of the public employees retirement association with all relevant documentation to verify that all remaining eligibility requirements in this section are satisfied and with any other applicable information that the executive director may request."

Page 176, line 13, delete "and 2" and insert "to 3"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Krentz moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after line 11, insert:

"Sec. 3. [PRIOR OUT-OF-STATE TEACHING SERVICE CREDIT PURCHASE BY PUBLIC EMPLOYEES RETIREMENT ASSOCIATION MEMBER.]

Subdivision 1. [ELIGIBILITY.] An eligible member is a current active member of the public employees retirement association general plan who becomes a member of that plan on August 1, 1973, and who was born on December 16, 1944. An eligible member may purchase allowable service credit in the public employees retirement association general plan as specified in this section.

Subd. 2. [SERVICE CREDIT PURCHASE AUTHORIZED.] (a) An eligible member specified in subdivision 1 is eligible to purchase up to four years of allowable and formula service credit for out-of-state teaching service by making payment under Minnesota Statutes, section 356.55 or 356.551, whichever is applicable, provided that the out-of-state teaching service was performed for an educational institution established and operated by another governmental jurisdiction and the eligible member is not entitled to receive a current or deferred age and service retirement annuity or disability benefit and has not purchased service credit from another defined benefit public employee pension plan for that out-of-state teaching service.

(b) For purposes of paragraph (a), "another governmental jurisdiction" means another state of the United States or a governmental subdivision of another state of the United States.

Subd. 3. [APPLICATION AND DOCUMENTATION.] An eligible member under subdivision 1 who desires to purchase service credit under this section must apply with the executive director of the public employees retirement association to make the purchase. The application must include all necessary documentation of the eligible member's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require. Payment must be made before the eligible member's effective date of retirement or before January 1, 2003, whichever is earlier.

Subd. 4. [SERVICE CREDIT GRANT.] Allowable and formula service credit for the purchase period must be granted by the public employees retirement association to the purchasing eligible member on receipt of the purchase payment amount."

Page 176, line 13, delete "and 2" and insert "to 3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kinkel moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after 14, insert:

"ARTICLE 15

AUTHORIZATION OF ADDITIONAL SERVICE

Section 1. [PERA AND MSRS; SERVICE CREDIT GRANT.]

Subdivision 1. [ELIGIBILITY.] An eligible person is a person who:

- (1) served as a legislator representing Hubbard county during the 1961-1963 legislative session;
- (2) was employed by the department of natural resources or its predecessor at Itasca state park from 1964 to 1980; and
- (3) retired from the general state employees retirement plan of the Minnesota state retirement system on July 1, 1980, with ten years, six months, and nine days of service credit.

Subd. 2. [PERA SERVICE CREDIT GRANT.] An eligible person is entitled to receive two years of service credit from the general employees retirement plan of the public employees retirement association for prior uncredited service as a member of the legislature.

Subd. 3. [MSRS SERVICE CREDIT GRANT.] An eligible person is entitled to receive 5.48 years of service credit from the general state employees retirement plan of the Minnesota state retirement system for uncredited periods from 1964 to 1980 between seasonal Itasca state park employment.

Subd. 4. [COMBINED SERVICE ANNUITY APPLICATION.] Notwithstanding the time that has elapsed since initial retirement, an eligible person may apply for a retirement annuity from the general employees retirement plan of the public employee retirement association and may apply for a recomputed retirement annuity from the general state employees retirement plan of the Minnesota state retirement system under Minnesota Statutes, section 356.30.

Subd. 5. [PAYMENT.] (a) The house of representatives shall pay the executive director of the public employees retirement association an amount equal to the required reserves needed to support the retirement annuity of an eligible person under subdivisions 2 and 4. Payment must be made within ten days of notification by the executive director of the amount due. The payment must be deposited in the public employees retirement fund and transferred to the Minnesota postretirement investment fund.

(b) The department of natural resources shall pay the executive director of the Minnesota state retirement system an amount equal to the required reserves needed to support the retirement annuity of an eligible person under subdivisions 3 and 4. Payment must be made within ten days of notification by the executive director of the amount due. The payment must be deposited in the state employees retirement fund and transferred to the Minnesota postretirement investment fund.

Subd. 6. [RETIREMENT ANNUITY ACCRUAL.] The retirement annuities payable under this section accrue on the first day of the month next following final enactment.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after line 14, insert:

#### "ARTICLE 15

#### DUTIES AND POWERS OF BOARD OF DIRECTORS

Section 1. Minnesota Statutes 2000, section 123A.21, subdivision 5, is amended to read:

Subd. 5. [DUTIES AND POWERS OF SC BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate a SC. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit, by June 1 of each year to each participating member, an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the needs of the SC.

(b) The SC board of directors shall provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise.

(c) The SC board of directors shall employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to applicable provisions of law. SC staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The SC board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents, lay persons, and representatives from cities, counties, and other governmental units and may delegate specified powers or duties to a committee.

(e) The SC board of directors may employ service area personnel pursuant to licensure and certification standards developed by the appropriate state agency such as the commissioner and the state board of teaching.

(f) The SC board of directors may enter into contracts with school boards of local districts including school districts outside the SC area.

(g) The SC board of directors may enter into contracts with other public and private agencies and institutions to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The SC board of directors shall exercise all powers and carry out all duties delegated to it by members under provisions of the SC bylaws. The SC board of directors shall be governed, when not otherwise provided, by applicable laws of the state.

(i) The SC board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the members by September 1 of each year following the previous June 30 in which the programs and services were provided.

(j) The SC board is encouraged to establish cooperative, working relationships and partnerships with post-secondary educational institutions, other public agencies, business, and industry."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Fischbach moved to amend H.F. No. 3127, as amended pursuant to Rule 45, adopted by the Senate April 11, 2002, as follows:

(The text of the amended House File is identical to S.F. No. 2984.)

Page 176, after line 14, insert:

#### "ARTICLE 15

#### PRIOR SERVICE CREDIT PURCHASE REFUND

##### Section 1. [PRIOR SERVICE CREDIT PURCHASE REFUND.]

A person who purchased service credit for prior or uncredited military service in a public pension plan listed in Minnesota Statutes, section 356.20, subdivision 2, may receive a refund of the purchase payment amount if the payment was made prior to the effective date of the federal Economic Growth and Tax Reconciliation Act of 2001 and the person transfers pretax funds to the pension plan to purchase an equivalent amount of service credit. This section is contingent on the teachers retirement association applying for and receiving a favorable ruling from the Internal Revenue Service regarding this provision.

##### Sec. 2. [EFFECTIVE DATE; EXPIRATION.]

Section 1 is effective on the date the teachers retirement association receives a favorable determination letter and expires one year after the effective date."



Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3127 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Olson	Samuelson
Bachmann	Higgins	Larson	Ourada	Scheevel
Belanger	Hottinger	Lesewski	Pappas	Scheid
Berg	Johnson, Dean	Lessard	Pariseau	Schwab
Berglin	Johnson, Debbie	Limmer	Pogemiller	Solon, Y.P.
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Cohen	Kierlin	Marty	Reiter	Stumpf
Day	Kinkel	Metzen	Rest	Tomassoni
Dille	Kiscaden	Moe, R.D.	Ring	Vickerman
Fischbach	Kleis	Murphy	Robertson	Wiener
Foley	Knutson	Neuville	Robling	Wiger
Fowler	Krentz	Oliver	Sams	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2392, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 2392:** A bill for an act relating to public safety; modifying emergency 911 telephone system provisions to establish emergency 911 telecommunications system; amending Minnesota Statutes 2000, sections 403.01; 403.02, subdivisions 3, 6, 7, by adding subdivisions; 403.05; 403.06; 403.07; 403.08; 403.09; 403.10, subdivision 1; 403.11, subdivisions 3, 4, by adding subdivisions; 403.113, subdivision 1; Minnesota Statutes 2001 Supplement, section 403.11, subdivision 1; repealing Minnesota Statutes 2000, sections 403.04; 403.11, subdivision 2; 403.113, subdivision 5; 403.12, subdivision 1; 403.13; 403.14; Minnesota Rules, parts 1215.0400; 1215.0600; 1215.0700; 1215.1200, subpart 3; 1215.1500.

Senate File No. 2392 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3183, and repassed said bill in accordance with the report of the Committee, so adopted. House File No. 3183 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 2002

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 3183

A bill for an act relating to agriculture; clarifying and updating certain terms; changing certain requirements and procedures; limiting certain fees and payments; authorizing agreements; prohibiting tampering with farm tractor clock-hour meters; prescribing civil and criminal penalties; authorizing the northern counties land use coordinating board to initiate a land use management pilot project; amending Minnesota Statutes 2000, sections 17.90, subdivision 1a, by adding a subdivision; 17B.03, subdivision 1; 18B.315, subdivision 3; 18B.37, subdivisions 2, 5; 18E.02, by adding a subdivision; 18E.03, subdivision 4; 18E.04, subdivision 3; 18E.06; 21.111, by adding a subdivision; 31.101, as amended; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 38.331, subdivision 2; 41B.03, subdivisions 1, 3; 223.16, subdivision 5; Minnesota Statutes 2001 Supplement, sections 17.9442; 18B.36, subdivision 1; 18E.04, subdivisions 2, 4; 41B.046, subdivision 2; Laws 2001, chapter 206, section 14; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 2, 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. 3183, 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. 3183 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 17.101, is amended by adding a subdivision to read:

Subd. 6. [LIVESTOCK DEVELOPMENT.] The commissioner shall establish a process, including criteria and standards, to recognize and assist efforts by counties to maintain or expand their livestock sector.

A county that meets the criteria may apply to the commissioner to be designated a "livestock friendly" county.

Sec. 2. Minnesota Statutes 2000, section 17.452, subdivision 6, is amended to read:

Subd. 6. [RUNNING AT LARGE PROHIBITED.] (a) An owner may not allow farmed cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed cervidae to their enclosures as soon as possible. The owner must notify the commissioner of natural resources of the escape of farmed ~~red-deer~~ cervidae if the farmed ~~red-deer~~ cervidae are not returned or captured by the owner within ~~72~~ 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed cervidae that have left their enclosures if the person capturing the farmed cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed cervidae, the commissioner of natural resources may destroy the escaped farmed cervidae ~~under this paragraph if the escaped farmed cervidae are a threat to the health or population of native species.~~ The commissioner must allow the owner to attempt to capture the escaped farmed cervidae prior to destroying the farmed cervidae. Farmed cervidae that are not captured by ~~14 days~~ 24 hours after escape may be destroyed.

~~(d) The owner must notify the commissioner of natural resources of the escape of farmed cervidae from a quarantined herd if the farmed cervidae are not returned to or captured by the owner within 72 hours of their escape. The escaped farmed cervidae from the quarantined herd may be destroyed by the commissioner of natural resources if the escaped farmed cervidae are a threat to the health or population of native species.~~

Sec. 3. Minnesota Statutes 2000, section 17.452, is amended by adding a subdivision to read:

Subd. 6a. [WILD CERVIDAE INSIDE CONFINEMENT AREA.] An owner, or employee or agent under the direction of the owner, must destroy wild cervidae found within the owner's farmed cervidae confinement area. The owner, employee, or agent must report the wild cervidae destroyed to a conservation officer or an employee of the department of natural resources, division of wildlife, within 24 hours. The wild cervidae must be disposed of as prescribed by the commissioner of natural resources.

Sec. 4. Minnesota Statutes 2000, section 17.90, subdivision 1a, is amended to read:

Subd. 1a. [AGRICULTURAL CONTRACT.] "Agricultural contract" means any written contract between a contractor and a producer, but does not include a contract between a grain buyer licensed under section 223.17, subdivision 1, who purchases grain from a producer as a merchant or seller of grain and does not contract with the producer to grow or raise the crops producing the grain.

Sec. 5. Minnesota Statutes 2000, section 17.90, is amended by adding a subdivision to read:

Subd. 3b. [GRAIN.] "Grain" has the meaning given in section 223.16, subdivision 4.

Sec. 6. Minnesota Statutes 2001 Supplement, section 17.9442, is amended to read:

17.9442 [APPLICABILITY OF CONTRACT REQUIREMENTS.]

The requirements for the written disclosure of material risks under section 17.91, subdivision 2; the three-day review period under section 17.941; the cover sheet requirement under section 17.942; and the contract readability requirements under section 17.943, subdivision 1, do not apply to contracts which provide for:

- (1) the sale and purchase of a fixed amount of a commodity for delivery at a set price;
- (2) price-later cash sale and forward delivery grain contracts for grain meeting certain specifications and does not prescribe the time, manner, and nature of planting, cultivating, and harvesting the crop producing the grain, including fixed price forward contracts, minimum price contracts, mini-max contracts, basis contracts, hedge-to-arrive contracts, and delayed price contracts;
- (3) contracts agreed to between a processor and an accredited bargaining organization under sections 17.691 to 17.702;
- (4) future futures contracts which involve the sale or purchase of a standardized quantity of a commodity for future delivery on a regulated commodity exchange;
- (5) agricultural marketing contracts between a capital stock cooperative and its members under section 308A.205; or
- (6) occasional sales between persons who produce or cause to be produced food, feed, or fiber in a quantity beyond their own family use.

Sec. 7. Minnesota Statutes 2000, section 17B.03, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S POWERS.] The commissioner of agriculture shall exercise general supervision over the inspection, grading, weighing, sampling, and analysis of grain within the state of Minnesota subject to the provisions of the United States Grain Standards Act of 1976 and the rules promulgated thereunder by the United States Department of Agriculture. This activity may take place within or outside the state of Minnesota.

Sec. 8. Minnesota Statutes 2001 Supplement, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial or noncommercial applicator, only a certified private applicator may use a restricted use pesticide to produce an agricultural commodity:

- (1) as a traditional exchange of services without financial compensation;
- (2) on a site owned, rented, or managed by the person or the person's employees; or
- (3) when the private applicator is one of two or fewer ~~specified individuals employed as agricultural employment as defined by section 268.035, subdivision 2, employees~~ and the owner or operator is a certified private applicator or is licensed as a noncommercial applicator.

(b) A private applicator may not purchase a restricted use pesticide without presenting a certified private applicator card or the card number.

Sec. 9. [18D.302] [FALSE STATEMENT OR RECORD.]

A person must not knowingly make or offer a false statement, record, or other information as part of:

- (1) an application for registration, license, certification, permit, or land application of contaminated soil or other media under this chapter or chapter 18B, 18C, or 18F or rules adopted under one of those chapters;
- (2) records or reports required under this chapter or chapter 18B, 18C, 18E, or 18F or rules adopted under one of those chapters; or
- (3) an investigation of a violation of this chapter or chapter 18B, 18C, 18E, or 18F or rules adopted under one of those chapters.

Sec. 10. Minnesota Statutes 2000, section 18E.02, is amended by adding a subdivision to read:

Subd. 5a. [EMERGENCY INCIDENT.] "Emergency incident" means an incident resulting from a flood, fire, tornado, transportation accident, storage container rupture, or other event as determined by the commissioner that immediately, uncontrollably, and unpredictably releases agricultural chemicals into the environment and that may cause unreasonable adverse effects on the public health or the environment.

Sec. 11. Minnesota Statutes 2000, section 18E.02, is amended by adding a subdivision to read:

Subd. 5b. [RECONTAMINATION.] "Recontamination" means an agricultural chemical incident that occurs in a specific land area where corrective actions were taken to address a previous incident. Recontamination does not include an emergency incident.

Sec. 12. Minnesota Statutes 2000, section 18E.03, subdivision 4, is amended to read:

Subd. 4. [FEE.] (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides

that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales is less than \$10. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a \$20 surcharge to be imposed on aquatic pest control licenses under section 18B.315.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 13. Minnesota Statutes 2001 Supplement, section 18E.04, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF CORRECTIVE ACTION COSTS.] (a) On request by an eligible person, the board may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the board determines:

(1) the eligible person pays the first \$1,000 of the corrective action costs;

(2) the eligible person provides the board with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;

(3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or that are in effect;

(4) the incident was reported as required in chapters 18B, 18C, and 18D; and

(5) the eligible person submits an application for payment or reimbursement to the department within three years of (i) incurring eligible corrective action costs, or (ii) approval of a corrective action report design, whichever is later.

(b) The eligible person must submit an application for payment or reimbursement of eligible cost incurred prior to July 1, 2001, no later than June 1, 2004.

(c) An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the board if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.

(d) The board may pay the eligible person and one or more designees by multiparty check.

Sec. 14. Minnesota Statutes 2000, section 18E.04, subdivision 3, is amended to read:

Subd. 3. [PARTIAL REIMBURSEMENT.] (a) If the unencumbered balance of the account drops below \$2,000,000, the board may only pay or reimburse an eligible person up to \$100,000 within the same fiscal year.

(b) If the board determines that an incident was caused by a violation of chapter 18B, 18C, or 18D, the board may reimburse or pay a portion of the corrective action costs of the eligible person based on the culpability of the eligible person and the percentage of the costs not attributable to the violation.

Sec. 15. Minnesota Statutes 2001 Supplement, section 18E.04, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENT PAYMENTS.] (a) The board shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical response and reimbursement account for:

~~(1) 90 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than or equal to \$200,000;~~

~~(2) 80 percent of the total reasonable and necessary corrective action costs greater than \$200,000 but less than or equal to \$300,000; and~~

~~(3) 60 percent of the total reasonable and necessary corrective action costs greater than \$300,000 but less than or equal to \$350,000.~~

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.

(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements directed by the board under this subdivision.

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

(g) Except for an emergency incident, the board may not reimburse or pay for more than 60 percent of the corrective action costs of an eligible person or for an incident within five years of a previous incident at a single site resulting from a site recontamination.

Sec. 16. Minnesota Statutes 2000, section 18E.06, is amended to read:

18E.06 [REPORT.]

By ~~September~~ December 1 of each year, the agricultural chemical response compensation board and the commissioner shall submit to the house of representatives committee on ways and means, the senate committee on finance, the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture, and the environmental quality board a report detailing the activities and reimbursements for which money from the account has been spent during the previous year.

Sec. 17. Minnesota Statutes 2000, section 21.111, is amended by adding a subdivision to read:

Subd. 3a. [INTERSTATE COOPERATION.] In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections, shipping point inspections, winter tests, and other certification functions to be carried out by personnel employed by either entity according to methods determined by the certification entities of the respective areas. The commissioner may extend seed potato certification services to states where growers wish to grow certified seed potatoes and the state does not have a seed potato certification program. Any agreement must be reported to the chairs of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of finance.

Sec. 18. Minnesota Statutes 2000, section 31.101, as amended by Laws 2001, First Special Session chapter 2, section 53, is amended to read:

31.101 [RULES; HEARINGS; UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. [AUTHORITY.] The commissioner may promulgate and amend rules for the efficient administration and enforcement of the Minnesota Food Law. The rules when applicable must conform, insofar as practicable and consistent with state law, with those promulgated under the federal law. This rulemaking authority is in addition to that in sections 31.10, 31.11, and 31.12. Rules adopted under this section may be amended by the commissioner under chapter 14, subject to the limitation in subdivision 7.

Subd. 2. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates for the purpose.

Subd. 3. [PESTICIDE CHEMICAL RULES.] Federal pesticide chemical regulations in effect on April 1, ~~2000~~ 2001, adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state.

Subd. 4. [FOOD ADDITIVE RULES.] Federal food additive regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state.

Subd. 5. [COLOR ADDITIVE RULES.] Federal color additive regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state.

Subd. 6. [SPECIAL DIETARY USE RULES.] Federal special dietary use regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state.

Subd. 7. [FAIR PACKAGING AND LABELING RULES.] Federal regulations in effect on April 1, ~~2000~~ 2001, adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. The commissioner may not adopt amendments to these rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations adopted under that act.

Subd. 8. [FOOD AND DRUGS RULES.] Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, ~~2000~~ 2001, and not otherwise adopted herein, also are adopted as food rules of this state.

Subd. 9. [FISHERY PRODUCTS RULES.] Federal regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 50, parts 260 to 267, are incorporated as part of the fishery products rules in this state for state inspections performed under a cooperative agreement with the United States Department of Commerce, National Marine Fisheries Service.

Subd. 10. [MEAT AND POULTRY RULES.] Federal regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 9, part 301, et seq., are incorporated as part of the meat and poultry rules in this state.

Subd. 11. [STANDARDS FOR FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS.] Federal regulations in effect on April 1, ~~2000~~ 2001, as provided by Code of Federal Regulations, title 7, parts 51 and 52, are incorporated as part of the rules in this state.

Subd. 12. [DAIRY GRADE RULES; MANUFACTURING PLANT STANDARDS.] Federal grading and inspection standards for manufacturing dairy plants and products and amendments thereto in effect on ~~January~~ April 1, 2001, as provided by Code of Federal Regulations, title 7, part 58, subparts B-W, are adopted as the dairy grade rules and manufacturing plant standards in this state.

Sec. 19. Minnesota Statutes 2000, section 31.102, subdivision 1, is amended to read:

Subdivision 1. [IDENTITY, QUANTITY, AND FILL OF CONTAINER RULES.] Federal definitions and standards of identity, quality, and fill of container in effect on April 1, ~~2000~~ 2001, adopted under authority of the federal act, are the definitions and standards of identity, quality, and fill of container in this state. The rules may be amended by the commissioner under chapter 14.

Sec. 20. Minnesota Statutes 2000, section 31.103, subdivision 1, is amended to read:

Subdivision 1. [CONSUMER COMMODITIES LABELING RULES.] All labels of consumer commodities must conform with the requirements for the declaration of net quantity of contents of section 4 of the Fair Packaging and Labeling Act (United States Code, title 15, section 1451 et seq.) and federal regulations in effect on April 1, ~~2000~~ 2001, adopted under authority of that act, except to the extent that the commissioner amends the rules under chapter 14. Consumer commodities exempted from the requirements of section 4 of the Fair Packaging and Labeling Act are also exempt from this subdivision.

Sec. 21. Minnesota Statutes 2000, section 31.104, is amended to read:

31.104 [FOOD LABELING EXEMPTION RULES.]

The commissioner shall promulgate rules exempting from any labeling requirement food which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is not adulterated or misbranded upon removal from such processing, labeling, or repacking establishment.



Federal regulations in effect on April 1, ~~2000~~ 2001, adopted under authority of the federal act relating to such exemptions are effective in this state unless the commissioner amends them. The commissioner also may amend existing rules concerning exemptions under chapter 14.

Sec. 22. [35.155] [CERVIDAE IMPORT RESTRICTIONS.]

(a) A person must not import cervidae into the state from a herd that is infected or exposed to chronic wasting disease or from a known chronic wasting disease endemic area, as determined by the board. A person may import cervidae into the state only from a herd that is not in a known chronic wasting disease endemic area, as determined by the board, and the herd has been subject to a state or provincial approved chronic wasting disease monitoring program for at least three years. Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(b) This section expires on June 1, 2003.

Sec. 23. Minnesota Statutes 2000, section 38.331, subdivision 2, is amended to read:

Subd. 2. [COUNTY EXTENSION WORK.] "County extension work" means educational programs and services provided by extension ~~agents~~ educators in the areas of agriculture; ~~economic and human development, community;~~ agricultural finance; economic development; nutrition; youth leadership development including 4-H programs; leadership; and environment and natural resources.

Sec. 24. Minnesota Statutes 2000, section 41B.03, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(1) a borrower must be a resident of Minnesota or a domestic family farm corporation or family farm partnership, as defined in section 500.24, subdivision 2; and

(2) the borrower or one of the borrowers must be the principal operator of the farm or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm.

Sec. 25. Minnesota Statutes 2000, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$200,000 in 1991 and an amount in subsequent years which is adjusted for inflation by multiplying \$200,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first ~~five~~ three years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for

any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 26. Minnesota Statutes 2001 Supplement, section 41B.046, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative, limited liability company, or limited liability partnership that is proposing to build or purchase and operate an agricultural product processing facility or already owns and operates an agricultural product processing facility.

Sec. 27. [41B.049] [METHANE DIGESTER LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority shall establish and implement a methane digester loan program to help finance the purchase of necessary equipment and the construction of a system that will utilize manure to produce electricity.

Subd. 2. [REVOLVING FUND.] There is established in the state treasury a revolving fund, which is eligible to receive appropriations and the transfer of funds from other services. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the manure digester loan program, including costs incurred by the authority to establish and administer the program.

Subd. 3. [ELIGIBILITY.] Notwithstanding section 41B.03, to be eligible for a loan under this section a borrower must:

- (1) locate the projects and utilize the equipment and practices on land located in Minnesota;
- (2) provide evidence of financial stability;
- (3) demonstrate an ability to repay the loan; and

(4) provide evidence that the practices implemented and capital assets purchased will be properly managed and maintained.

Subd. 4. [LOANS.] (a) The authority may make a direct loan or participate in a loan with an eligible lender to a farmer who is eligible under subdivision 3. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan. The authority's interest rate for a direct loan or a loan participation must not exceed four percent. Loans made under this section before July 1, 2003, must be no-interest loans.

(b) Application for a direct loan or a loan participation must be made on forms prescribed by the authority.

(c) Standards for loan amortization shall be set by the rural finance authority not to exceed ten years.

(d) Security for the loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(e) No loan proceeds may be used to refinance a debt existing prior to application.

(f) The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or a loan participation. The authority may review the application fees annually and make adjustments as necessary. The application fee is initially set at \$100 for a loan under subdivision 1. The fees received by the authority must be deposited in the revolving fund created in subdivision 2.

Subd. 5. [LOAN CRITERIA.] (a) To be eligible, a borrower must be a resident of Minnesota or an entity that is not prohibited from owning agricultural land under section 500.24.

(b) State participation in a participation loan is limited to 45 percent of the principal amount of the loan. A direct loan or loan participation may not exceed \$250,000.

(c) Loans under this program may be used as a match for federal loans or grants.

(d) A borrower who has previously received a loan under subdivision 1 is prohibited from receiving another methane digester loan under subdivision 1.

Sec. 28. Minnesota Statutes 2000, section 97A.105, is amended by adding a subdivision to read:

Subd. 3a. [CERVIDAE RUNNING AT LARGE PROHIBITED.] (a) An owner may not allow cervidae to run at large. The owner must make all reasonable efforts to return escaped cervidae to their enclosures as soon as possible. The owner must notify the commissioner of the escape of cervidae if the cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning cervidae that have left their enclosures if the person capturing the cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped cervidae, the commissioner may destroy the escaped cervidae. The commissioner must allow the owner to attempt to capture the escaped cervidae prior to destroying the cervidae. Cervidae that are not captured by 24 hours after escape may be destroyed.

Sec. 29. Minnesota Statutes 2000, section 97A.105, is amended by adding a subdivision to read:

Subd. 3b. [WILD CERVIDAE INSIDE CONFINEMENT AREA.] An owner, or employee or agent under the direction of the owner, must destroy wild cervidae found within the game farm owner's cervidae confinement area. The owner, employee, or agent must report the wild cervidae destroyed to a conservation officer or an employee of the division of wildlife within 24 hours. The wild cervidae must be disposed of as prescribed by the commissioner.

Sec. 30. [116.0714] [NEW OPEN AIR SWINE BASINS.]

After the effective date of this section, the commissioner of the pollution control agency or a county board shall not approve any permits for the construction of new open air swine basins, except that existing facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, 2007.

Sec. 31. Minnesota Statutes 2000, section 223.16, subdivision 5, is amended to read:

Subd. 5. [GRAIN BUYER.] "Grain buyer" means a person who purchases grain for the purpose of reselling the grain or products made from the grain, with the exception of a person who purchases seed grain for crop production or who purchases grain as feed for the person's own livestock.

Sec. 32. Laws 2001, chapter 206, section 14, is amended to read:

Sec. 14. [500.222] [EXEMPT ACREAGE IN LAND EXCHANGE.]

~~The city of Bird Island A local unit of government may exchange a parcel of land owned by it or acquired for it by a qualified intermediary, for a parcel of agricultural real estate that is owned by an individual exempt under Minnesota Statutes, section 500.221, based on ownership being lawfully acquired prior to June 1, 1981. Since there is no exception for exchanged property under Minnesota Statutes, section 500.221, the exchange of the city's parcel would result in the loss of exemption for the exchanged property. Accordingly, this act provides that The agricultural land being exchanged for the parcel that is currently exempt shall also be exempt under Minnesota Statutes, section 500.221, as if it had been purchased by the owner prior to June 1, 1981. Such The exchanged parcel shall have exactly the same rights status under the statute section 500.221 as the parcel to be exchanged and the status may be stated on the deeds used to effectuate the transaction may so state.~~

Sec. 33. [NORTHERN COUNTIES LAND USE COORDINATING BOARD; LAND USE MANAGEMENT; PILOT PROJECT.]

(a) The northern counties land use coordinating board may initiate a pilot project to promote cooperative efforts among county, state, federal, and local units of government and private citizens regarding land use management issues. The office of strategic and long-range planning must coordinate the activities of state agencies, which shall include the departments of agriculture, commerce, natural resources, trade and economic development, board of soil and water resources, iron range resources and rehabilitation board, environmental quality board, pollution control agency, and the office of environmental assistance.

(b) The board must also solicit cooperation with Canadian officials who represent areas contiguous to the region and with organizations representing recreational, agricultural, mining, forestry, and tourism interests within the affected boundaries of the northern counties land use coordinating board.

(c) The legislature also encourages participation by appropriate federal agencies.

(d) The objectives of the pilot project are to:

(1) document instances when land use regulations and policies are incompatible with local government land use authority;

(2) document instances when regulations and policies interfere with private property rights; and

(3) identify and promote a means of resolving differences.

(e) The board must report to the legislature by January 15, 2004, on the status of the project. The pilot project ends on June 30, 2004.

(f) Costs to the office of strategic and long-range planning related to its coordination duties under this section must be reimbursed by the northern counties land use coordinating board or its participating counties as provided in an agreement between the office and the board. The agreement is not subject to the limits on contracts and hiring in Laws 2002, chapter 220, article 10, sections 36 to 38. Reimbursements must be deposited in the state treasury and credited to the special revenue fund and are appropriated to the office to carry out the agreement.

Sec. 34. [CHRONIC WASTING DISEASE RECOMMENDATIONS; REPORT.]

The board of animal health and the commissioner of natural resources, in consultation with the cervidae advisory committee and other interested parties, shall jointly study and make recommendations on measures to protect domestic and wild cervidae from chronic wasting disease. The report shall include recommendations for:

(1) cervidae fence specifications;

(2) disease infection prevention measures;

(3) criteria for quarantine or destruction of contaminated herds;

(4) methods of harvest;

(5) tagging of cervidae; and

(6) other items determined by the board and the commissioner.

By January 15, 2003, the board and the commissioner shall report their recommendations to the senate and house of representatives committees with jurisdiction over agriculture and natural resources policy.

Sec. 35. [TEMPORARY WAIVER OF RULE.]

The application of Minnesota Rules, part 1720.0620, is temporarily waived from June 1, 2002, to June 30, 2003, for products used exclusively for poultry.

Sec. 36. [NOXIOUS WEED RULES.]

The commissioner of agriculture shall amend the rules authorized under Minnesota Statutes, section 18.79, pursuant to Minnesota Statutes, section 14.388, to add Grecian Foxglove (*digitalis lanata*) to the list of secondary noxious weeds.

Sec. 37. [TRANSFER OF FUNDS; DEPOSIT OF REPAYMENTS.]

The remaining balance in the revolving account in Minnesota Statutes, section 17.115, that is dedicated to manure digester loans under Minnesota Statutes, section 17.115, subdivision 5, shall be transferred to the revolving fund established under Minnesota Statutes, section 41B.049, subdivision 2, on the effective date of this section. Notwithstanding Minnesota Statutes, section 17.115, and Laws 2002, chapter 220, article 9, section 7, all future receipts from manure digester loans originated under Minnesota Statutes, section 17.115, and from disaster recovery loans, under Minnesota Statutes, section 41B.047, shall be deposited in the revolving fund established under Minnesota Statutes, section 41B.049, subdivision 2.

Sec. 38. [EFFECTIVE DATE.]

Sections 2, 3, 22, 28 to 30, and 32 to 36 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a livestock development program; clarifying certain requirements for agricultural contracts; changing certain powers relating to grain; modifying certain pesticide provisions; providing for interstate cooperation for seed potato certification; providing for uniformity of certain Minnesota food rules with federal standards; establishing and changing certain loan programs; clarifying terms; authorizing a land use pilot project; providing a temporary waiver of a rule; changing cervidae regulations; changing certain agricultural chemical response provisions; changing certain manure and waste management provisions; authorizing certain land exchanges; requiring a report; requiring amendment of certain rules; appropriating money; amending Minnesota Statutes 2000, sections 17.101, by adding a subdivision; 17.452, subdivision 6, by adding a subdivision; 17.90, subdivision 1a, by adding a subdivision; 17B.03, subdivision 1; 18E.02, by adding subdivisions; 18E.03, subdivision 4; 18E.04, subdivision 3; 18E.06; 21.111, by adding a subdivision; 31.101, as amended; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 38.331, subdivision 2; 41B.03, subdivisions 1, 3; 97A.105, by adding subdivisions; 223.16, subdivision 5; Minnesota Statutes 2001 Supplement, sections 17.9442; 18B.36, subdivision 1; 18E.04, subdivisions 2, 4; 41B.046, subdivision 2; Laws 2001, chapter 206, section 14; proposing coding for new law in Minnesota Statutes, chapters 18D; 35; 41B; 116."

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

House Conferees: (Signed) Tim Finseth, Robert Ness, Rod Skoe

Senate Conferees: (Signed) Steve Murphy, Dennis R. Frederickson, Twyla Ring

Senator Murphy moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3183 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3183 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 11, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Lessard	Pariseau	Scheevel
Berg	Johnson, Dean	Limmer	Pogemiller	Scheid
Betzold	Johnson, Debbie	Metzen	Price	Schwab
Cohen	Kierlin	Moe, R.D.	Reiter	Solon, Y.P.
Day	Kinkel	Moua	Rest	Stevens
Dille	Kiscaden	Murphy	Ring	Stumpf
Fischbach	Knutson	Neuville	Robertson	Tomassoni
Fowler	Langseth	Oliver	Robling	Vickerman
Frederickson	Larson	Olson	Sams	Wiener
Higgins	Lesewski	Ourada	Samuelson	Wiger

Those who voted in the negative were:

Anderson	Foley	Kleis	Lourey	Pappas
Bachmann	Kelley, S.P.	Krentz	Marty	Ranum
Berglin				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MEMBERS EXCUSED

Senator Sabo was excused from the Session of today at 12:30 p.m. Senators Bachmann and Hottinger were excused from the Session of today from 12:30 to 1:00 p.m. Senator Anderson was excused from the Session of today from 12:45 to 1:00 p.m. Senator Schwab was excused from the Session of today from 12:50 to 1:30 p.m. Senator Moua was excused from the Session of today from 1:40 to 1:50 p.m.

### ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 14, 2002. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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