

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1598**

(SENATE AUTHORS: FRANZEN)

DATE	D-PG	OFFICIAL STATUS
03/11/2015	677	Introduction and first reading Referred to Transportation and Public Safety

A bill for an act

1.1 relating to transportation; governing volunteer-based nonprofit providers of  
 1.2 special transportation service; providing for operating regulations; making  
 1.3 technical changes; amending Minnesota Statutes 2014, sections 174.29,  
 1.4 subdivision 1; 174.30, subdivisions 1, 2a, by adding subdivisions.  
 1.5

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

1.7 Section 1. Minnesota Statutes 2014, section 174.29, subdivision 1, is amended to read:

1.8 Subdivision 1. **Definition.** (a) For the purpose of sections 174.29 and 174.30  
 1.9 "special transportation service" means motor vehicle transportation provided on a regular  
 1.10 basis by a public or private entity or person that is designed exclusively or primarily to  
 1.11 serve individuals who are elderly or disabled and who are unable to use regular means  
 1.12 of transportation but do not require ambulance service, as defined in section 144E.001,  
 1.13 subdivision 3.

1.14 (b) Special transportation service includes but is not limited to service provided  
 1.15 by specially equipped buses, vans, taxis, and volunteers driving private automobiles.  
 1.16 Notwithstanding the requirements of paragraph (a), special transportation service includes  
 1.17 service provided by a volunteer-based nonprofit provider under section 174.30.

1.18 Sec. 2. Minnesota Statutes 2014, section 174.30, subdivision 1, is amended to read:

1.19 Subdivision 1. **Applicability.** (a) Except as otherwise provided in this subdivision,  
 1.20 the operating standards adopted under this section only apply to providers of special  
 1.21 transportation service who (1) receive grants or other financial assistance from the state,  
 1.22 the federal government, or both to provide or assist in providing that service; or (2) are a  
 1.23 volunteer-based nonprofit under subdivision 1a.

2.1 (b) The operating standards for special transportation service adopted under this  
 2.2 section do not apply to:

2.3 (1) special transportation provided by:

2.4 ~~(1)~~ (i) a common carrier operating on fixed routes and schedules;

2.5 ~~(2)~~ (ii) a volunteer driver using a private automobile;

2.6 ~~(3)~~ (iii) a school bus as defined in section 169.011, subdivision 71; or

2.7 ~~(4)~~ (iv) an emergency ambulance regulated under chapter 144;

2.8 ~~(b)~~ The operating standards adopted under this section only apply to providers of  
 2.9 special transportation service who receive grants or other financial assistance from either  
 2.10 the state or the federal government, or both, to provide or assist in providing that service;  
 2.11 except that the operating standards adopted under this section do not apply to

2.12 (2) any nursing home licensed under section 144A.02; ~~to~~

2.13 (3) any board and care facility licensed under section 144.50; ~~or to~~

2.14 (4) any day training and habilitation services, day care, or group home facility  
 2.15 licensed under sections 245A.01 to 245A.19 unless the facility or program provides  
 2.16 transportation to nonresidents on a regular basis and the facility receives reimbursement,  
 2.17 other than per diem payments, for that service under rules promulgated by the  
 2.18 commissioner of human services; or

2.19 ~~(e)~~ Notwithstanding paragraph ~~(b)~~, the operating standards adopted under this section  
 2.20 do not apply to (5) any vendor of services licensed under chapter 245D that provides  
 2.21 transportation services to consumers or residents of other vendors licensed under chapter  
 2.22 245D and transports 15 or fewer persons, including consumers or residents and the driver.

2.23 Sec. 3. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision  
 2.24 to read:

2.25 Subd. 1a. **Volunteer-based nonprofit provider; qualifications.** (a) For purposes  
 2.26 of this subdivision, "member" includes any individual who is enrolled or otherwise has  
 2.27 membership in the nonprofit organization.

2.28 (b) To qualify as a volunteer-based nonprofit, a provider must:

2.29 (1) be a tax-exempt organization under section 501(c)(3) of the Internal Revenue  
 2.30 Code, as amended;

2.31 (2) be organized or operating for the principal purpose of arranging transportation  
 2.32 services;

2.33 (3) provide or arrange for transportation services solely for members of the nonprofit  
 2.34 organization who (i) have reached a minimum age as determined by the organization,

3.1 which must be at least 55 years old, or (ii) are disabled or otherwise impaired in the use of  
 3.2 regular means of transportation;

3.3 (4) not receive financial assistance from the state for transportation services provided  
 3.4 to specific individuals, including but not limited to coverage by medical assistance under  
 3.5 section 256B.0625, subdivision 17;

3.6 (5) not provide or arrange for transportation services in a vehicle equipped with a  
 3.7 wheelchair securement device, as defined in section 299A.11, subdivision 5;

3.8 (6) not accept at the time the transportation service is performed any payment  
 3.9 or other form of compensation, including but not limited to tips, whether made to the  
 3.10 provider or to the driver, provided that the nonprofit organization may charge membership  
 3.11 dues and service fees as part of a regular billing cycle; and

3.12 (7) provide compensation or reimbursement to a driver, if any, only on a per mile  
 3.13 basis at a rate that is no more than the charitable standard mileage rate most recently  
 3.14 published by the United States Internal Revenue Service.

3.15 Sec. 4. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision  
 3.16 to read:

3.17 Subd. 1b. **Volunteer-based nonprofit provider; exemptions and requirements.**

3.18 (a) A volunteer-based nonprofit provider under subdivision 1a is exempt from the  
 3.19 requirements of subdivisions 2 to 4, and from administrative rules adopted under  
 3.20 subdivisions 2 and 5, except as follows:

3.21 (1) an annual certificate of compliance is required as provided under Minnesota  
 3.22 Rules, parts 8840.5400 to 8840.5525, or successor rules, except for those provisions which  
 3.23 by their nature are not otherwise applicable under the exemption in this subdivision;

3.24 (2) the provider must meet the requirements under subdivision 2a, paragraph (a);

3.25 (3) the commissioner may perform unannounced inspections of records and vehicles  
 3.26 operated under this subdivision, and the requirements of subdivision 4, paragraph (b),  
 3.27 apply; and

3.28 (4) the enforcement procedures under Minnesota Rules, part 8840.5800, or successor  
 3.29 rules, apply, except for those provisions which by their nature are not otherwise applicable  
 3.30 under the exemption in this subdivision.

3.31 (b) A volunteer-based nonprofit provider shall maintain documentation that:

3.32 (1) an annual safety inspection that includes inspecting the equipment identified  
 3.33 under Minnesota Rules, part 8840.5950, subpart 1, item C, or successor rules, has been  
 3.34 performed for each vehicle operated under this subdivision;

4.1 (2) identifies any maintenance performed on each vehicle operated under this  
 4.2 subdivision;

4.3 (3) each driver possesses a valid driver's license;

4.4 (4) a criminal history and driving record background check has been performed on  
 4.5 each driver under a policy on driver eligibility implemented by the provider;

4.6 (5) each driver has, at least once in every other calendar year, received a physical  
 4.7 examination from a medical examiner, as defined in Code of Federal Regulations, title 49,  
 4.8 section 390.5, or successor rules, establishing that the person is physically qualified to  
 4.9 drive under the same standards as provided under Code of Federal Regulations, title 49,  
 4.10 section 391.41(b), or successor rules; and

4.11 (6) each driver has proof of a plan of reparation security under sections 65B.41  
 4.12 to 65B.71 that provides coverage when the driver is providing transportation services  
 4.13 under this section.

4.14 (c) A volunteer-based nonprofit provider must provide recommendations to each  
 4.15 driver on the minimum coverage levels for a plan of reparation security under sections  
 4.16 65B.41 to 65B.71, and must inform each driver that it is the driver's responsibility to:

4.17 (1) have a plan of reparation security that provides coverage when the driver is  
 4.18 providing transportation services under this section; and

4.19 (2) inform the insurer of the amount of mileage reimbursement provided to the driver.

4.20 Sec. 5. Minnesota Statutes 2014, section 174.30, subdivision 2a, is amended to read:

4.21 Subd. 2a. **Vehicle and equipment safety; provider responsibilities.** (a) Every  
 4.22 special transportation service provider shall systematically inspect, repair, and maintain, or  
 4.23 cause to be inspected, repaired, and maintained, the vehicles and equipment subject to the  
 4.24 control of the provider. ~~Each vehicle and its equipment must be inspected daily.~~ A vehicle  
 4.25 may not be operated in a condition that is likely to cause an accident or breakdown of the  
 4.26 vehicle. Equipment, including specialized equipment necessary to ensure vehicle usability  
 4.27 and safety for disabled persons, must be in proper and safe operating condition at all times.

4.28 (b) Each vehicle and its equipment must be inspected daily.

4.29 (c) Each special transportation provider shall maintain the following records for  
 4.30 each vehicle:

4.31 (1) an identification of the vehicle, including make, serial number, and year, and, if  
 4.32 the vehicle is not owned by the provider, the name and address of the person furnishing  
 4.33 the vehicle;

4.34 (2) a schedule of inspection and maintenance operations to be performed;

4.35 (3) a record of inspections, repairs, and maintenance showing the date and nature;

- 5.1 (4) a lubrication record; and
- 5.2 (5) a record of tests conducted to ensure that emergency doors or windows and
- 5.3 wheelchair lifts function properly.

5.4 Sec. 6. **EFFECTIVE DATE.**

5.5 Sections 1 to 5 are effective the day following final enactment.