develop a more flexible rate variance mechanism for day training habilitation services vendors; amending Minnesota Statutes 1996, section 252.451, subdivision 5.

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

Section 1. Minnesota Statutes 1996, section 252.451, subdivision 5, is amended to read:

- Subd. 5. **VENDOR PAYMENT.** (a) For purposes of this section, the vendor shall bill and the commissioner shall reimburse the vendor for full-day or partial-day services to a client that would otherwise have been paid to the vendor for providing direct services, provided that both of the following criteria are met:
- (1) the vendor provides services and payments to the qualified business that enable the business to perform support and supervision services for the client that the vendor would otherwise need to perform; and
- (2) any client for whom a rate will be billed was receiving full—time services from the vendor on or before July 1, 1993, the client for whom a rate will be billed will receive full—day or partial—day services from the vendor and the rate to be paid the vendor will allow the client to work with this support in a community and supervision at the qualified business instead of receiving any other service these services from the vendor.
- (b) Medical assistance reimbursement of services provided to persons receiving day training and habilitation services under this section is subject to the limitations on reimbursement for vocational services under federal law and regulation.

Sec. 2. PROPOSAL FOR RATE VARIANCES.

The commissioner of human services, in consultation with an advisory committee including representatives of counties, service consumers, and vendors of day training and habilitation services, including at least one representative from each association representing day training and habilitation vendors, shall develop a rate variance mechanism that identifies medical or behavioral criteria that permit a change in the payment rate when an individual already being served by a vendor of day training and habilitation services experiences a significant decrease in skill functioning that requires additional staffing or services that are not covered by the vendor's current rate. The commissioner shall present proposed legislation amending the existing rate variance criteria to the legislature by January 15, 1999.

Presented to the governor March 13, 1998

Signed by the governor March 16, 1998, 10:04 a.m.

CHAPTER 285—S.F.No. 2163

An act relating to motor vehicles; regulating licensed dealers; providing exceptions; providing for separate form for assignment of vehicle title; amending Minnesota Statutes 1996, sections

New language is indicated by underline, deletions by strikeout.

168.27, subdivision 8; 168A.01, by adding a subdivision; and 168A.11, subdivision 1; Minnesota Statutes 1997 Supplement, section 168.27, subdivision 1.

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

- Section 1. Minnesota Statutes 1997 Supplement, section 168.27, subdivision 1, is amended to read:
- Subdivision 1. **DEFINITIONS.** For the purposes of this section, the following terms have the meanings given them:
- (1) "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) "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) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.
- (4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.
- (5) "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) "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) "Commercial office space" means office space occupying all or part of a commercial building.
- (8) "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) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or 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.
- (10) "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.

New language is indicated by underline, deletions by strikeout-

- (11) (10) "New motor vehicle" means a motor vehicle other than described in paragraph (10) (9).
- (12) (11) "Junked vehicle" means a vehicle that is declared unrepairable under section 168A.151.
- $\frac{(13)}{(12)}$ "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.
- (14) (13) "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.
 - Sec. 2. Minnesota Statutes 1996, section 168.27, subdivision 8, is amended to read:
- Subd. 8. **EXEMPTIONS.** (1) Salespeople and other employees of licensed dealers under this section shall not be required to obtain individual licenses.
- (2) Isolated or occasional sales or leases of new or used motor vehicles shall be exempt from the provisions of 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: (i) the sale or lease of a motor vehicle with an actual cash value of \$1,000 or less made by a charitable organization; (ii) 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 (iii) 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, a charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

- Sec. 3. Minnesota Statutes 1996, section 168A.01, is amended by adding a subdivision to read:
- Subd. 17c. SECURE REASSIGNMENT. "Secure reassignment" means a separate form that (1) may be used by a dealer to assign and warrant title to a vehicle; (2) is prescribed by the department; and (3) contains security features complying with the Motor Vehicle Information and Cost Savings Act, as amended, codified at United States Code, title 49, chapter 327, and regulations of the United States Department of Transportation adopted under that act.
- Sec. 4. Minnesota Statutes 1996, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. APPLICATION UPON TRANSFER. If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner, and complies with subdivision 2 hereof, the dealer need not apply for a certificate of title, but upon transferring the vehicle to another person other than by the creation of a security interest shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferree and of any secured party holding a security interest

New language is indicated by underline, deletions by strikeout.

created or reserved at the time of the resale, and the date of the security agreement in the spaces provided therefor on the certificate or secure reassignment. With respect to motor vehicles subject to the provisions of section 325E.15, the dealer shall also, in the space provided therefor on the certificate or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferee shall complete the application for title section on the certificate of title or separate title application form prescribed by the department. The dealer shall mail or deliver the certificate to the department with the transferee's application for a new certificate and appropriate taxes and fees, within ten days.

Sec. 5. EFFECTIVE DATE.

Sections 1 to 4 are effective the day following final enactment.

Presented to the governor March 16, 1998

Signed by the governor March 18, 1998, 10:07 a.m.

CHAPTER 286—S.F.No. 2516

An act relating to employee relations; modifying provisions on experimental or research projects in the department of employee relations; amending Minnesota Statutes 1997 Supplement, section 43A.04, subdivision 9.

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

Section 1. Minnesota Statutes 1997 Supplement, section 43A.04, subdivision 9, is amended to read:

Subd. 9. **EXPERIMENTAL OR RESEARCH PROJECTS.** The commissioner of employee relations may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions.

The commissioner shall meet and confer with the affected exclusive bargaining representative of state employees concerning the design and implementation of experimental and research projects under this subdivision.

Any provision in section 43A.02, except for subdivisions 33 and 38, sections 43A.09 43A.07 to 43A.15 43A.16, associated personnel rules adopted under subdivision 3, or administrative procedures established under subdivision 4, is waived for the purposes of these projects. The commissioner may not use an experimental or research project under this section to transfer positions between the unclassified and the classified service. The number of appointments under this subdivision may not exceed five percent of the total number of appointments in the preceding fiscal year, unless the commissioner authorizes appointments in excess of five percent with the mutual agreement of any affected bargaining unit.

The commissioner shall report by September 1 to the joint subcommittee on employee relations the results of the experimental research projects conducted in the preceding fiscal year.

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