

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3133

(SENATE AUTHORS: NEWMAN)

DATE	D-PG	OFFICIAL STATUS
03/08/2018	6367	Introduction and first reading Referred to Transportation Finance and Policy
03/12/2018	6408a	Comm report: To pass as amended and re-refer to Finance
03/14/2018	6439a	Comm report: To pass as amended
	6479	Second reading
03/15/2018	6532	Motion did not prevail for Urgency, Rules Suspension, Third Reading and Final Passage
03/19/2018	6796a	Special Order: Amended
	6802	Third reading Passed
03/21/2018	6809	Returned from House with amendment
	6809	Senate not concur, conference committee of 3 requested
	6879	Senate conferees Newman; Osmek; Dibble
03/22/2018	6882	House conferees Torkelson; Baker; Nelson
	6931c	Conference committee report, delete everything Senate adopted CC report and repassed bill
	6939	Third reading
03/26/2018	6945	House adopted SCC report and repassed bill Presentment date 03/22/18
03/26/2018	6944	Governor's action Approval 03/22/18
	6944	Secretary of State Chapter 101 03/22/18 Effective date Sec. 1-5, 7 3/23/18; Sec. 6 7/1/18

1.1 A bill for an act

1.2 relating to public safety; establishing certain requirements with respect to the

1.3 development and implementation of the Minnesota Licensing and Registration

1.4 System; requiring a report; appropriating money.

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

1.6 Section 1. **MNLARS SUPPLEMENTAL APPROPRIATIONS; REDUCTIONS,**

1.7 **TRANSFERS.**

1.8 Subdivision 1. **Appropriations; MNLARS.** \$9,650,000 in fiscal year 2018 is

1.9 appropriated from the special revenue fund to the commissioner of public safety for costs

1.10 related to continued development, improvement, operations, and deployment of the driver

1.11 and vehicle services information system known as the Minnesota Licensing and Registration

1.12 System (MNLARS). Of this amount, \$2,150,000 is from the vehicle services operating

1.13 account and \$7,500,000 is from the driver services operating account. This is a onetime

1.14 appropriation.

1.15 Subd. 2. **Appropriations; Office of the Legislative Auditor.** \$100,000 in fiscal year

1.16 2018 and \$250,000 in fiscal year 2019 are appropriated to the Office of the Legislative

1.17 Auditor from the vehicle services operating account in the special revenue fund for the

1.18 information technology auditor position established in section 3. This is a onetime

1.19 appropriation.

1.20 Subd. 3. **Use of funds.** (a) The appropriations in subdivision 1 must be expended only

1.21 in the specified amounts for the following purposes:

1.22 (1) \$7,051,000 for contracting to perform software development on the vehicle services

1.23 component of MNLARS; and

2.1 (2) \$2,599,000 for technology costs, which consists of:

2.2 (i) \$100,000 for user authentication and access control management;

2.3 (ii) \$20,000 for testing environment hardware, including servers and data storage;

2.4 (iii) \$650,000 for partial relocation of data from the enterprise data center;

2.5 (iv) \$780,000 for disaster recovery preparedness; and

2.6 (v) \$1,049,000 for contracted software review and software development support services.

2.7 (b) The appropriations in this section must not be spent on:

2.8 (1) additional full- or part-time employees employed by the Department of Public Safety;

2.9 or

2.10 (2) an audit, evaluation, or assessment on the feasibility of a proposed plan to resolve

2.11 MNLARS defects and implement all MNLARS functionality conducted by the Department

2.12 of Public Safety, the Office of MN.IT Services, or an entity hired by the Department of

2.13 Public Safety or the Office of MN.IT Services.

2.14 Subd. 4. **Adjustments.** After May 1, 2018, if the commissioner of public safety and

2.15 state chief information officer determine the amounts allocated in subdivision 3 need to be

2.16 adjusted, the commissioner and state chief information officer may submit to the MNLARS

2.17 Steering Committee established under section 4 a request to adjust the allocated amounts

2.18 within existing appropriations. The commissioner and state chief information officer must

2.19 provide, at a minimum, the proposed changes and a line item explanation of how the

2.20 reallocated funds would be spent. The commissioner and state chief information officer

2.21 must also submit a written explanation of the need to adjust the funds. A majority of the

2.22 committee may, by affirmative vote, approve the adjustment to the appropriation amounts

2.23 in subdivision 3.

2.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.25 Sec. 2. **MNLARS IMPLEMENTATION REQUIREMENTS.**

2.26 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

2.27 the meanings given them.

2.28 (b) "Information technology auditor" means the individual appointed by the legislative

2.29 auditor under section 3, subdivision 1.

2.30 (c) "MNLARS" means the driver and vehicle information system known as the Minnesota

2.31 Licensing and Registration System.

3.1 (d) "Committee" means the MNLARS Steering Committee established under section 4.

3.2 (e) "Quarter" means a three-month period starting on July 1, October 1, January 1, or
3.3 April 1, in fiscal year 2019.

3.4 Subd. 2. **Project timeline; deadlines; performance measures; plans.** (a) By May 1,
3.5 2018, the commissioner of public safety and the state chief information officer must submit
3.6 to the committee:

3.7 (1) a detailed project budget;

3.8 (2) a proposed project timeline to develop and implement MNLARS that includes specific
3.9 deadlines and performance measures that must be met in each quarter;

3.10 (3) a proposed plan for user acceptance testing, including deputy registrars and auto
3.11 dealers located both outside the metropolitan area and within the metropolitan area, as
3.12 defined in Minnesota Statutes, section 473.121, subdivision 2, to the extent such testing is
3.13 deemed feasible by the Minnesota Deputy Registrars Association and the Minnesota
3.14 Automobile Dealers Association;

3.15 (4) a proposed plan for system stakeholder input on code releases to MNLARS;

3.16 (5) a proposed communications plan for transparent reporting on MNLARS outages and
3.17 slowdowns to system stakeholders, including how to communicate (i) status information
3.18 in a timely manner and usable format, (ii) actions taken in response to communication, and
3.19 (iii) responses from the Department of Public Safety and the Office of MN.IT Services;

3.20 (6) a proposed communications plan for postrelease reporting on features and fixes to
3.21 system stakeholders; and

3.22 (7) a proposed plan to create greater efficiencies and streamline the vehicle title process
3.23 to reduce the current backlog and to minimize any future backlogs.

3.24 (b) At a minimum, the performance measures required under paragraph (a), clause (2),
3.25 must provide specific metrics to monitor MNLARS development and implementation
3.26 activities, including measures of:

3.27 (1) the extent to which MNLARS defects have been resolved;

3.28 (2) the extent to which gaps in MNLARS functionality have been resolved;

3.29 (3) improvements in the ability of MNLARS users to edit transactions;

3.30 (4) reduction in the backlog of vehicle titles;

3.31 (5) the extent of errors in driver or vehicle transactions;

4.1 (6) system performance, including the extent of any slowdowns, outages, or other system
4.2 performance issues; and

4.3 (7) customer service responsiveness, which may include the number of phone calls and
4.4 e-mails from the general public and stakeholders, and the timeliness of inquiry responses.

4.5 (c) The project timeline, deadlines, performance measures, and plans under this
4.6 subdivision are not administrative rules and are not subject to Minnesota Statutes, chapter
4.7 14.

4.8 Subd. 3. **Progress reporting.** (a) By May 1, 2018, and between 20 and 30 days before
4.9 the start of each quarter, the commissioner of public safety and the state chief information
4.10 officer must submit a progress report to the committee and the information technology
4.11 auditor. At a minimum, each progress report must identify MNLARS project activity,
4.12 including but not limited to:

4.13 (1) information sufficient to determine whether deadlines under the project timeline
4.14 have been met, and an explanation of the circumstances for any deadlines that have not
4.15 been met;

4.16 (2) details on the status in achieving each performance measure;

4.17 (3) an overview of project activity during the reporting period, including compliance
4.18 with each of the plans;

4.19 (4) information on project staffing and contractors, including separate lists detailing the
4.20 amount spent for state employees and the amount spent for private contractors in the
4.21 preceding quarter, itemized by the number of employees and contractors, the project duties
4.22 for each, and the agency responsible for employees' or contractors' work; and

4.23 (5) information on any additional or unexpected costs identified to date, including a
4.24 detailed explanation of the additional or unexpected costs and the specific steps taken to
4.25 reduce other costs to ensure the overall MNLARS project expenditures remain within the
4.26 project budget.

4.27 (b) Each report must include the statement "I affirm that the statements submitted to the
4.28 committee in this document are complete and truthful to the best of my knowledge." The
4.29 commissioner of public safety and the state chief information officer must each sign an
4.30 acknowledgment of this statement.

4.31 Subd. 4. **Stakeholder reporting.** Between 20 and 30 days before the start of each
4.32 quarter, the Minnesota Deputy Registrars Association, the Minnesota Automobile Dealers
4.33 Association, and any other stakeholders are each encouraged to submit a report to the

5.1 committee regarding the progress on the relevant performance measures established under
5.2 subdivision 2, paragraph (b).

5.3 Subd. 5. **Request for information; report.** (a) No later than May 1, 2018, the
5.4 commissioner of public safety must issue a request for information as described in this
5.5 subdivision. The request for information must obtain advice from qualified vendors regarding
5.6 the feasibility of using a private vendor to develop, deploy, and maintain a vehicle
5.7 information system that replaces functionality in MNLARS.

5.8 (b) The request for information must solicit advice on procuring a replacement vehicle
5.9 information system that:

5.10 (1) is cost-effective, reliable, consumer- and user-friendly, and implemented in a timely
5.11 manner; and

5.12 (2) contains functionality that substantially matches the functionality and features of the
5.13 legacy information technology system in place prior to initial implementation of MNLARS.

5.14 (c) The request for information must be designed to obtain implementation information
5.15 that includes:

5.16 (1) feasibility, costs, and a preliminary estimated timeline or schedule for implementation;

5.17 (2) a breakdown of costs for vehicle services components and functionality, including
5.18 costs of integrating a vehicle services information system with a separately developed driver
5.19 services information system; and

5.20 (3) capacity and experience of a potential vendor.

5.21 (d) The request for information under this section must be published in the state register
5.22 and on the Web site of the Department of Administration at least 14 days prior to closing.

5.23 The request must otherwise be administered according to the requirements of Minnesota
5.24 Statutes, chapter 16C, to the extent applicable, except that a vendor's submission does not
5.25 constitute a response to a solicitation, as defined in Minnesota Statutes, section 16C.02,
5.26 subdivision 14. The commissioner is prohibited from using a vendor submission in response
5.27 to a request for information under this section to enter a contract unless the terms of the
5.28 submission are later included in a vendor's response to a formal solicitation, as defined in
5.29 Minnesota Statutes, section 16C.02, subdivision 7.

5.30 (e) No later than August 1, 2018, the commissioner must submit a report to the committee
5.31 and the information technology auditor that summarizes the responses and information
5.32 received from qualified vendors under this section.

6.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.2 Sec. 3. **INFORMATION TECHNOLOGY AUDITOR; MNLARS ASSESSMENTS.**

6.3 Subdivision 1. **Appointment.** The legislative auditor must appoint an information
 6.4 technology auditor to actively monitor and report on the development and implementation
 6.5 of the Minnesota Licensing and Registration System (MNLARS). At a minimum, the person
 6.6 appointed to this position must have expertise in .NET software development and must have
 6.7 project management experience.

6.8 Subd. 2. **Duties.** (a) The information technology auditor must conduct an assessment of
 6.9 MNLARS. Upon completion, the assessment must be provided to the MNLARS Steering
 6.10 Committee established under section 4. At a minimum, the assessment must include:

6.11 (1) a technical assessment of MNLARS;

6.12 (2) an assessment on the feasibility of the MNLARS Project Roadmap proposed by the
 6.13 Department of Public Safety and the Office of MN.IT Services in January 2018, and the
 6.14 project timeline under section 2, subdivision 2;

6.15 (3) an assessment of estimated funding needs for the continued development, operations,
 6.16 and maintenance of MNLARS; and

6.17 (4) an assessment of process changes and business workflows for auto dealers and deputy
 6.18 registrars.

6.19 (b) Each quarter, the information technology auditor must report to the MNLARS Steering
 6.20 Committee whether the commissioner of public safety and the state chief information officer
 6.21 are:

6.22 (1) meeting the deadlines and performance measures in the project timeline required in
 6.23 section 2, subdivision 2; and

6.24 (2) in compliance with the plans required in section 2, subdivision 2.

6.25 (c) The quarterly reports under paragraph (b) must be submitted to the committee between
 6.26 20 and 30 days before the start of each quarter.

6.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.28 Sec. 4. **MNLARS STEERING COMMITTEE; QUARTERLY FUNDING REVIEW.**

6.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 6.30 the meanings given.

- 7.1 (b) "Committee" means the MNLARS Steering Committee established in this section.
- 7.2 (c) "Commissioner" means the commissioner of management and budget or the
7.3 commissioner's designee.
- 7.4 (d) "MNLARS" means the driver and vehicle information system known as the Minnesota
7.5 Licensing and Registration System.
- 7.6 (e) "Information technology auditor" means the individual appointed by the legislative
7.7 auditor pursuant to section 3, subdivision 1.
- 7.8 (f) "Quarter" means a three-month period starting on July 1, October 1, January 1, or
7.9 April 1, in fiscal year 2019.
- 7.10 Subd. 2. **MNLARS Steering Committee; membership.** (a) A MNLARS Steering
7.11 Committee is established. The committee is made up of the following members:
- 7.12 (1) the chair of the senate Finance Committee, or a senator appointed by the chair of the
7.13 senate Finance Committee;
- 7.14 (2) the chair and ranking minority member of the senate committee with jurisdiction
7.15 over transportation finance;
- 7.16 (3) the chair of the house of representatives Ways and Means Committee, or a member
7.17 of the house of representatives appointed by the chair of the house of representatives Ways
7.18 and Means Committee; and
- 7.19 (4) the chair and ranking minority member of the house of representatives committee
7.20 with jurisdiction over transportation finance.
- 7.21 Subd. 3. **Meetings.** (a) The senate chair of the committee with jurisdiction over
7.22 transportation finance must convene the initial meeting of the committee by May 1, 2018.
- 7.23 (b) The chairs of the house of representatives and senate committees with jurisdiction
7.24 over transportation finance serve as cochairs of the committee.
- 7.25 (c) The committee must meet at least once each quarter.
- 7.26 (d) The committee is subject to Minnesota Statutes, section 3.055, except that a member
7.27 may vote by submitting a written statement indicating how the member votes on a motion.
7.28 This written statement must be treated in the same manner as the votes of the members
7.29 present at the meeting. The vote must be submitted to all members prior to the start of the
7.30 meeting at which the vote will take place.

8.1 (e) The Legislative Coordinating Commission must provide meeting space and
8.2 administrative support for the committee.

8.3 Subd. 4. **Committee duties.** (a) The committee must review the proposed timeline,
8.4 including deadlines and performance measures, and the proposed plans submitted under
8.5 section 2, subdivision 2. The committee may request that the commissioner of public safety
8.6 and the state chief information officer make changes to the timeline and plans. Prior to
8.7 reviewing the July 1 quarterly allotment, the committee must approve a timeline and plans.
8.8 The cochairs must transmit copies of the timeline and plans to the information technology
8.9 auditor.

8.10 (b) The committee must review (1) the progress reports submitted under section 2,
8.11 subdivision 3; (2) reports from the information technology auditor under section 3,
8.12 subdivision 2; and (3) quarterly appropriations as provided in subdivision 5.

8.13 (c) The committee may contract with, hire, or otherwise consult with any individual to
8.14 assist the committee with its duties.

8.15 Subd. 5. **Review of appropriations.** (a) Funds appropriated in fiscal year 2019 to the
8.16 commissioner of public safety for MNLARS are divided into four equal quarters. The
8.17 commissioner must allot a quarter of the funds on July 1, October 1, January 1, and April
8.18 1, unless otherwise directed by the committee under this section. Twenty days prior to the
8.19 start of a quarter, the commissioner must submit a proposal to allot funds for MNLARS to
8.20 the members of the committee for review and recommendation.

8.21 (b) The committee members have 20 days from the receipt of a proposal to determine
8.22 whether the Department of Public Safety and the Office of MN.IT Services have met the
8.23 deadlines and performance measures established in section 2, subdivision 2. If during the
8.24 20-day review period a majority of the committee members affirmatively votes to:

8.25 (1) defer, reduce, or further condition the next quarterly allotment based on the failure
8.26 to meet deadlines or performance measures; or

8.27 (2) recommend further review to determine whether deadlines and performance measures
8.28 have been met,

8.29 the commissioner must defer, reduce, or condition the quarterly funds as provided in the
8.30 committee vote. If the committee votes to recommend further review, the commissioner
8.31 must defer the next quarterly payment.

8.32 (c) A committee member, by written notice to the commissioner, may withdraw the
8.33 member's affirmative vote made under paragraph (b) within 20 days of the vote. If within

9.1 20 days of the vote one or more members withdraw an affirmative vote under this paragraph
9.2 so that three or fewer affirmative votes remain, the commissioner may allot the quarterly
9.3 funds to the commissioner of public safety for MNLARS.

9.4 (d) If a quarterly allotment is not made under paragraph (a) or (b), the commissioner
9.5 must allot to the commissioner of public safety an amount sufficient to fund an additional
9.6 30 days for contracted technical staff working on MNLARS.

9.7 Subd. 6. **Resubmission of proposal.** If a proposed allotment is deferred under subdivision
9.8 5, the commissioner may submit proposed legislation to the chairs of the house of
9.9 representatives Ways and Means Committee and the senate Finance Committee for
9.10 consideration during the 2019 legislative session.

9.11 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
9.12 final enactment. Subdivisions 4 and 5 apply to any money appropriated in fiscal year 2019
9.13 for MNLARS in this act or any subsequent act.

9.14 Sec. 5. **REAL ID ACT EXTENSIONS.**

9.15 The commissioner of public safety must coordinate with the governor to seek any
9.16 extensions available from the United States Department of Homeland Security with respect
9.17 to federal enforcement of the REAL ID Act of 2005, Public Law 109-13, Division B. The
9.18 commissioner must make all feasible efforts to promptly obtain extensions.

9.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.20 Sec. 6. **EXPIRATION.**

9.21 Section 2, subdivisions 2 to 4, and section 4, expire upon full implementation of
9.22 MNLARS, which includes but is not limited to resolution of all significant defects,
9.23 implementation of all functionality gaps identified in the project timeline, and
9.24 decommissioning of the legacy driver and vehicle services information technology system.
9.25 The MNLARS Steering Committee must determine when MNLARS is fully implemented.

9.26 Sec. 7. **SEVERABILITY.**

9.27 If any provision of sections 1 to 6 or its application to any person or circumstances is
9.28 held invalid, the invalidity does not affect other provisions or applications of sections 1 to
9.29 6 that can be given effect without the invalid provision or application. The provisions of
9.30 this section are severable.

9.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.