

SENATE

STATE OF MINNESOTA

NINETY-THIRD SESSION

S.F. No. 3250

(SENATE AUTHORS: HAWJ, Fateh and Kunesh)		
DATE	D-PG	OFFICIAL STATUS
04/13/2023	4787	Introduction and first reading
		Referred to Transportation
03/18/2024	12366a	Comm report: To pass as amended and re-refer to State and Local Government and Veterans

1.1

A bill for an act

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relating to transportation; requiring an open bidding process when deputy registrars

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and driver's license agents close locations; requiring a study; amending Minnesota

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Statutes 2022, sections 168.33, by adding a subdivision; 171.061, by adding a

1.5

subdivision.

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

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Section 1. Minnesota Statutes 2022, section 168.33, is amended by adding a subdivision

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to read:

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Subd. 8b. **Open bidding.** (a) Notwithstanding any statute or rule to the contrary, if a

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deputy registrar appointed under this section permanently stops offering services at the

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approved office location and permanently closes the approved office location, the

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commissioner must allow an open bidding process for the appointment of a replacement

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deputy registrar. A replacement deputy registrar appointed by the commissioner under this

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section may continue to offer services at the approved office location.

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(b) The commissioner must not give any preference to any partner, owner, manager, or

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employee of the closed deputy registrar office location in the open bidding process.

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(c) The commissioner must adopt rules to administer and enforce an open bidding process

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to select a replacement deputy registrar. If the replacement deputy registrar elects to not

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offer services at the office location of the prior registrar, the rules governing the selection

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of a proposed office location apply.

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**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 171.061, is amended by adding a subdivision to read:

Subd. 5a. **Open bidding.** (a) Notwithstanding any statute or rule to the contrary, if a driver's license agent appointed under this section permanently stops offering services at the approved office location and permanently closes the approved office location, the commissioner must allow an open bidding process for the appointment of a replacement driver's license agent. A replacement driver's license agent appointed by the commissioner under this section may continue to offer services at the approved office location.

(b) The commissioner must not give any preference to any partner, owner, manager, or employee of the closed driver's license agent office location in the open bidding process.

(c) The commissioner must adopt rules to administer and enforce an open bidding process to select a replacement driver's license agent. If the replacement driver's license agent elects to not offer services at the office location of the prior agent, the rules governing the selection of a proposed office location apply.

**EFFECTIVE DATE.** This section is effective October 1, 2025.

Sec. 3. **DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT LOCATIONS  
OPEN BIDDING STUDY REQUIRED.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Deputy registrar" means a public or private deputy registrar appointed by the commissioner under Minnesota Statutes, section 168.33.

(d) "Driver's license agent" means a public or private driver's license agent appointed by the commissioner under Minnesota Statutes, section 171.061.

Subd. 2. **Study required.** The commissioner must conduct a driver's license agent and deputy registrar open bidding process study. The study must evaluate and analyze the appointment process for a replacement deputy registrar or driver's license agent when an appointed deputy registrar or driver's license agent closes their approved office location. At a minimum, the study must evaluate the requirements established in Minnesota Statutes, section 168.33, subdivision 8b, and Minnesota Statutes, section 171.061, subdivision 5a, and must include:

3.1 (1) the commissioner's proposal for administering and enforcing an open bidding process  
3.2 to select a replacement deputy registrar or driver's license agent at an existing approved  
3.3 location;

3.4 (2) recommended legislation to establish, implement, administer, and enforce an open  
3.5 bidding process and its requirements in statute rather than the commissioner using rulemaking  
3.6 to create the process;

3.7 (3) an analysis of how the open bid proposal would interact with the commissioner's  
3.8 existing rules on deputy registrar and driver's license agent office locations and propose  
3.9 recommendations to reconcile any issues;

3.10 (4) the effect of an open bidding process on service outcomes, financial sustainability,  
3.11 and needed financial assistance for deputy registrars and driver's license agents;

3.12 (5) how an open bidding process would initiate business development for persons who  
3.13 are seeking appointment as a deputy registrar or driver's license agent;

3.14 (6) the expected fiscal impact for creating and administering an open bidding process;

3.15 (7) recommendations on the impact of implementing an open bidding process on existing  
3.16 deputy registrar and driver's license agent locations; and

3.17 (8) feedback from existing deputy registrars and driver's license agents on the  
3.18 commissioner's proposal.

3.19 Subd. 3. **Report.** By February 1, 2025, the commissioner must complete the study and  
3.20 submit it to the chairs, ranking minority members, and staff of the legislative committees  
3.21 with jurisdiction over transportation finance and policy. The study must include proposed  
3.22 legislation to establish and implement the open bidding process required in Minnesota  
3.23 Statutes, section 168.33, subdivision 8b, and Minnesota Statutes, section 171.061, subdivision  
3.24 5a.