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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2594

03/18/2019 Authored by Munson, Bahr, Drazkowski and Miller The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to public safety; authorizing motor vehicle registration tax holiday for one
1.3 year; transferring money from budget reserve account to cover revenue lost due
1.4 to motor vehicle registration tax holiday and to replace the Minnesota Licensing
1.5 and Registration System (MNLARS) software.

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

1.7 Section 1. MOTOR VEHICLE REGISTRATION TAX HOLIDAY.

1.8 Subdivision 1. New purchases. For all new and used vehicles purchased and registered
1.9 in the state on or after June 1, 2019, and on or before May 31, 2020, the vehicle registration
1.10 tax imposed under Minnesota Statutes, section 168.013, is waived.

1.11 Subd. 2. Registration renewals. (a) For all motor vehicle registration renewals due on
1.12 or after June 1, 2019, and on or before May 31, 2020, the vehicle registration is automatically
1.13 extended for 12 additional months and the tax imposed under Minnesota Statutes, section
1.14 168.013, is waived.

1.15 (b) New license plate tabs shall not be issued for motor vehicle registrations automatically
1.16 extended under this subdivision. The existing license plate tabs shall be retained on the
1.17 motor vehicle and remain valid for 12 months after the motor vehicle registration is
1.18 automatically extended under this subdivision.

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

2.1 Sec. 2. **BUDGET RESERVE TRANSFERS.**

2.2 (a) \$1,000,000,000 in fiscal year 2020 is transferred from the budget reserve account in  
2.3 the general fund under Minnesota Statutes, section 16A.152, to the entities described in this  
2.4 section for the purposes described in this section.

2.5 (b) Of the amount in paragraph (a), \$750,000,000 is transferred to the highway user tax  
2.6 distribution fund to cover the revenue lost due to the motor vehicle registration tax holiday  
2.7 under section 1.

2.8 (c) Of the amount in paragraph (a), \$33,000,000 is transferred to the commissioner of  
2.9 transportation for grants to counties to cover lost revenue related to wheelage taxes imposed  
2.10 under Minnesota Statutes, section 163.051, and collected by state registrars or deputy  
2.11 registrars due to the motor vehicle registration tax holiday under section 1. A grant to a  
2.12 county under this paragraph must be in an amount equal to the county's 2018 wheelage tax  
2.13 revenue.

2.14 (d) Of the amount in paragraph (a), \$100,000,000 is transferred to the town road account  
2.15 in the county state-aid highway fund under Minnesota Statutes, section 162.081, for  
2.16 construction and repair of rural township roads.

2.17 (e) Of the amount in paragraph (a), \$117,000,000 is transferred to the commissioner of  
2.18 public safety to purchase and implement an existing and functionally sufficient driver's  
2.19 licensing and motor vehicle titling and registration software program from another state to  
2.20 replace the Minnesota Licensing and Registration System (MNLARS).

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