

A bill for an act

relating to motor carriers; amending requirements for household goods motor carriers, including changes from system of permits to registration; removing language governing obsolete permits; making conforming and clarifying changes; amending Minnesota Statutes 2006, sections 168.013, subdivision 1e; 174.64, subdivisions 2, 4; 174.66; 221.011, subdivisions 8, 23, by adding a subdivision; 221.025; 221.026; 221.031, subdivision 1; 221.036, subdivisions 1, 3; 221.131; 221.132; 221.141, subdivision 4; 221.185; 221.221, subdivision 3; 221.291, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions 24, 25, 28, 29, 38, 39, 41, 44, 45; 221.0252, subdivision 7; 221.072; 221.111; 221.121; 221.122; 221.123; 221.131, subdivisions 2a, 3; 221.141, subdivision 6; 221.151; 221.152; 221.153, subdivisions 1, 2; 221.161; 221.171; 221.172, subdivisions 3, 4, 5, 6, 7, 8; 221.296, subdivisions 3, 4, 5, 6, 7, 8.

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

ARTICLE 1

HOUSEHOLD GOODS MOTOR CARRIERS

Section 1. Minnesota Statutes 2006, section 221.011, subdivision 23, is amended to read:

Subd. 23. **Household goods.** "Household goods" means personal effects and property used or to be used ~~by the owner in the owner's~~ in a dwelling when the effects and property are a part of the equipment or supply of the dwelling; furniture, fixtures, equipment and property of business places and institutions, public or private, when a part of the stock, equipment, supplies or property of such establishments.

Sec. 2. Minnesota Statutes 2006, section 221.011, is amended by adding a subdivision to read:

Subd. 23a. **Household goods motor carrier.** (a) "Household goods motor carrier" means, in general, a motor carrier that, in the ordinary course of its business of providing transportation of household goods within the state of Minnesota, offers some or all of the following additional services:

(1) binding and nonbinding estimates;

(2) inventorying;

(3) protective packing and unpacking of individual items at personal dwellings; or

(4) loading and unloading at personal dwellings.

(b) A household goods motor carrier does not include any motor carrier providing transportation of household goods in containers or trailers that are entirely loaded and unloaded by an individual other than an employee or agent of the motor carrier.

Sec. 3. **[221.0253] HOUSEHOLD GOODS MOTOR CARRIERS;
REGISTRATION.**

Subdivision 1. **Registration required.** No person may operate as a household goods motor carrier unless the person has been issued a certificate of registration by the commissioner.

Subd. 2. **Registration statement.** A person who wishes to operate as a household goods motor carrier shall file a complete and accurate registration statement with the commissioner. A registration statement must be on a form provided by the commissioner and include:

(1) the registrant's name, including an assumed or fictitious name used by the registrant in doing business;

(2) the registrant's mailing address and business telephone number;

(3) the registrant's United States Department of Transportation number;

(4) the name, title, and telephone number of the individual who is principally responsible for the operation of the registrant's transportation business;

(5) the principal location from which the registrant conducts its transportation business and where the records required by this chapter will be kept;

(6) if different from clause (5), the location in Minnesota where the records required by this chapter will be available for inspection and copying by the commissioner;

(7) whether the registrant's business is a corporation, partnership, limited liability partnership, limited liability company, sole proprietorship, or other legal form;

(8) if the registrant is a foreign corporation authorized to transact business in Minnesota, the state of incorporation and the name and address of its registered agent; and

(9) the summary of the registrant's arbitration program, described in Code of Federal Regulations, title 49, section 375.211, paragraph (b), as required under section 221.0255.

Subd. 3. **Signature required.** A registration statement must be signed by a corporate officer, general partner, limited liability company board member, or sole proprietor.

Subd. 4. **Registration fee.** An initial fee of \$200 must be paid at the time the registration statement is filed with the commissioner. The commissioner shall deposit all revenues received under this subdivision in the trunk highway fund.

Subd. 5. **Certificate of registration; issuance.** (a) The commissioner shall issue a certificate of registration to a registrant who does not have an unsatisfactory safety rating with the state or United States Department of Transportation and who has met the requirements of this section.

(b) A certificate of registration must be numbered and bear an effective date.

(c) A certificate of registration must be kept at the registrant's principal place of business.

Subd. 6. **Duration.** A certificate of registration is not assignable or transferable, and is valid until it is suspended, revoked, or canceled.

Subd. 7. **Obligation to keep information current.** A registrant shall notify the commissioner in writing within 30 days of any change in the information required under subdivision 2.

Subd. 8. **Suspension and cancellation of registration.** (a) The commissioner shall suspend or cancel the registration of a household goods motor carrier who fails to file with the commissioner or maintain the insurance or bond required under section 221.141.

(b) The commissioner shall immediately suspend the registration of a household goods motor carrier who receives an unsatisfactory safety rating. Within 30 days of receiving a written request from the household goods motor carrier, the commissioner shall conduct one follow-up compliance audit to determine if the safety rating of the motor carrier should be changed, or if the suspension should be rescinded. The commissioner may conduct additional compliance reviews.

(c) The commissioner may suspend or cancel the registration of a household goods motor carrier who fails to maintain an arbitration program or comply with a binding arbitration decision under section 221.0255, subdivision 1.

(d) The commissioner shall follow the procedures under section 221.185 for any suspension or cancellation under this subdivision.

(e) A person may not operate as a household goods motor carrier while the person's registration is suspended or canceled.

Sec. 4. **[221.0255] HOUSEHOLD GOODS MOTOR CARRIERS; CONSUMER PROTECTION.**

Subdivision 1. **Arbitration, estimates, release of goods.** (a) Code of Federal Regulations, title 49, section 375.103, is incorporated by reference, except that "household goods" and "household goods motor carrier" have the meanings given in section 221.011. Code of Federal Regulations, title 49, sections 375.211, 375.401, 375.403, 375.405, 375.407, 375.603, and 375.703, are incorporated by reference and apply to household goods motor carriers. Cross-references within the incorporated sections to other sections or paragraphs not incorporated in this subdivision are not incorporated by reference.

(b) Sections 572.08 to 572.30 apply to the arbitration program required under Code of Federal Regulations, title 49, section 375.211.

(c) For an original estimate provided under Code of Federal Regulations, title 49, sections 375.401, paragraph (a); 375.403, paragraph (a)(1); and 375.405, paragraph (b)(1), a household goods motor carrier may provide an original binding or nonbinding estimate to the shipper without a physical survey, if the estimate is based on (1) services to be provided and (2) the anticipated number of hours and number of employees required.

(d) For a revised estimate provided under Code of Federal Regulations, title 49, sections 375.403, paragraph (a)(6) and 375.405, paragraph (b)(7), a household goods motor carrier may provide a revised binding or nonbinding estimate to the shipper based on revised services to be provided and the revised anticipated number of hours and number of employees required.

(e) A household goods motor carrier's total charges to the shipper under paragraphs (c) and (d) must meet the requirements under this subdivision.

Subd. 2. **Impracticable operations.** (a) For purposes of this subdivision, "impracticable operations" means additional services required by a household goods motor carrier (1) when operating conditions and reasonably unforeseen events make it physically impossible for the carrier to perform pickup or delivery with the carrier's normally assigned road-haul equipment, (2) when the use of smaller equipment or additional labor to complete pickup or delivery of a shipment is required, or (3) when additional hours of service are required because of reasonably unpredictable changes in weather or road conditions.

(b) A household goods motor carrier may require payment of additional charges up to 15 percent above a binding or nonbinding estimate for impracticable operations. The specific services or unforeseeable conditions considered to be impracticable operations by the carrier must be defined in writing in the carrier's binding or nonbinding estimate

provided to the consumer. A household goods motor carrier is not required to file the contractual definitions of "impracticable operations" with the commissioner.

Subd. 3. **Cause of action.** A person who is injured by a household goods motor carrier due to a violation under subdivision 1, and who is unable to obtain relief due to the failure of the motor carrier to maintain an arbitration program or comply with a binding arbitration decision under subdivision 1, has a cause of action against the household goods motor carrier. Damages may be awarded to the consumer for economic loss, including damage, destruction, and loss of use of personal property, and reasonable attorney fees.

Subd. 4. **Advertising.** A household goods motor carrier must include in all advertisements for all services the following elements:

(1) the name or trade name of the household goods motor carrier, as it appears on the certificate of registration issued by the commissioner under section 221.0253, or the name or trade name of the motor carrier under whose operating authority the advertised service will originate; and

(2) the United States Department of Transportation number of the household goods motor carrier.

Sec. 5. HOUSEHOLD GOODS MOTOR CARRIERS; EXPIRATION AND CONVERSION OF PERMITS.

Subdivision 1. **Expiration of permits.** Any permit issued by the commissioner before August 1, 2008, that authorizes for-hire transportation of household goods in Minnesota is valid through December 31, 2008.

Subd. 2. **Conversion to registration.** A holder of a permit that expires under subdivision 1 who wishes to continue as a household goods motor carrier shall meet the requirements of section 221.0253 before January 1, 2009. Prior to January 1, 2009, the commissioner shall not charge the registration fee under section 221.0253, subdivision 4, for a permit holder to obtain a registration certificate.

ARTICLE 2

REPEAL OF OBSOLETE PERMITS AND CONFORMING CHANGES

Section 1. Minnesota Statutes 2006, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. **Truck; tractor; combination; exceptions.** (a) On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone

vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

Minnesota Base Rate Schedule

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT				
	IN POUNDS			TAX
A	0	-	1,500	\$ 15
B	1,501	-	3,000	20
C	3,001	-	4,500	25
D	4,501	-	6,000	35
E	6,001	-	9,000	45
F	9,001	-	12,000	70
G	12,001	-	15,000	105
H	15,001	-	18,000	145
I	18,001	-	21,000	190
J	21,001	-	26,000	270
K	26,001	-	33,000	360
L	33,001	-	39,000	475
M	39,001	-	45,000	595
N	45,001	-	51,000	715
O	51,001	-	57,000	865
P	57,001	-	63,000	1015
Q	63,001	-	69,000	1185
R	69,001	-	73,280	1325
S	73,281	-	78,000	1595
T	78,001	-	81,000	1760

(b) For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

(c) For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

(d) Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

(e) Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are:

(1) used by an authorized local cartage carrier ~~operating under a permit issued under section 221.296 and~~ whose gross transportation revenue consists of at least 60

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percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or

(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation pursuant to United States Code, title 49, section 13506.

(f) The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

(g) On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule.

(h) On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision.

(i) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers.

Sec. 2. Minnesota Statutes 2006, section 174.64, subdivision 2, is amended to read:

Subd. 2. **Specific functions and powers.** (a) To the extent allowed under federal law or regulation, the commissioner shall further hold hearings and issue orders in cases brought on the commissioner's own motion or by a third party in the following areas:

(1) adequacy of services that carriers are providing to the public, including the continuation, termination, or modification of services and facilities;

(2) reasonableness of tariffs of rates, fares, and charges, or a part or classification of a tariff; and

(3) issuing permits.

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(b) For purposes of paragraph (a), clause (2), the commissioner may authorize common carriers by rail ~~and motor carriers for hire~~ to file tariffs of rates, fares, and charges individually or by group. Carriers participating in group ratemaking have the free and unrestrained right to take independent action either before or after a determination arrived at through that procedure.

Sec. 3. Minnesota Statutes 2006, section 174.64, subdivision 4, is amended to read:

Subd. 4. **Petition, notice, and hearing.** (a) With respect to those matters within the commissioner's jurisdiction, the commissioner shall receive, hear, and determine all petitions filed with the commissioner in accordance with the procedures established by law and may hold hearings and make determinations upon the commissioner's own motion to the same extent, and in every instance, in which the commissioner may do so upon petition.

~~(b) Upon receiving a petition filed pursuant to section 221.121, subdivision 1, or 221.151, the commissioner shall give notice of the filing of the petition to representatives of associations or other interested groups or persons who have registered their names with the commissioner for that purpose and to whomever the commissioner deems to be interested in the petition. The commissioner may grant or deny the request of the petition 30 days after notice of the filing has been fully given.~~

~~(c)~~ If the commissioner receives a written objection and notice of intent to appear at a hearing to object to the petition from any person within 20 days of the notice having been fully given, the request of the petition must be granted or denied only after a contested case hearing has been conducted on the petition, unless the objection is withdrawn before the hearing. The commissioner may elect to hold a contested case hearing if no objections to the petition are received. If a timely objection is not received, or if received and withdrawn, and the request of the petition is denied without hearing, the petitioner may request within 30 days of receiving the notice of denial, and must be granted, a contested case hearing on the petition.

Sec. 4. Minnesota Statutes 2006, section 174.66, is amended to read:

174.66 CONTINUATION OF CARRIER RULES.

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation

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and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40; and

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

~~(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1;~~

~~(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and~~

~~(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121 and 221.151.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 5. Minnesota Statutes 2006, section 221.011, subdivision 8, is amended to read:

Subd. 8. **Permit.** "Permit" means the license, or franchise, which may be issued to motor carriers other than regular route common carriers of passengers, ~~class I common carriers, and petroleum carriers,~~ and household goods motor carriers under the provisions of this chapter, authorizing the use of the highways of Minnesota for transportation for hire.

Sec. 6. Minnesota Statutes 2006, section 221.025, is amended to read:

221.025 EXEMPTIONS.

The provisions of this chapter requiring a certificate ~~or permit~~ to operate as a motor carrier do not apply to the intrastate transportation described below:

(1) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 and the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451;

(2) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;

(3) a commuter van as defined in section 221.011, subdivision 27;

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- 10.1 (4) authorized emergency vehicles as defined in section 169.01, subdivision 5,
10.2 including ambulances; and tow trucks equipped with proper and legal warning devices
10.3 when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles
10.4 towed or transported under a towing order issued by a public employee authorized to
10.5 issue a towing order;
- 10.6 (5) the transportation of grain samples under conditions prescribed by the
10.7 commissioner;
- 10.8 (6) the delivery of agricultural lime;
- 10.9 (7) the transportation of dirt and sod within an area having a 50-mile radius from the
10.10 home post office of the person performing the transportation;
- 10.11 (8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix,
10.12 concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or
10.13 crushed rock to or from the point of loading or a place of gathering within an area having a
10.14 50-mile radius from that person's home post office or a 50-mile radius from the site of
10.15 construction or maintenance of public roads and streets;
- 10.16 (9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator
10.17 evergreens, wood chips, sawdust, shavings, and bark from the place where the products
10.18 are produced to the point where they are to be used or shipped;
- 10.19 (10) the transportation of fresh vegetables from farms to canneries or viner stations,
10.20 from viner stations to canneries, or from canneries to canneries during the harvesting,
10.21 canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the
10.22 field of production to the first place of delivery or unloading, including a processing
10.23 plant, warehouse, or railroad siding;
- 10.24 (11) the transportation of property or freight, other than household goods and
10.25 petroleum products in bulk, entirely within the corporate limits of a city or between
10.26 contiguous cities ~~except as provided in section 221.296;~~
- 10.27 (12) the transportation of unprocessed dairy products in bulk within an area having a
10.28 100-mile radius from the home post office of the person providing the transportation;
- 10.29 (13) the transportation of agricultural, horticultural, dairy, livestock, or other farm
10.30 products within an area having a 100-mile radius from the person's home post office and
10.31 the carrier may transport other commodities within the 100-mile radius if the destination
10.32 of each haul is a farm;
- 10.33 (14) the transportation of newspapers, as defined in section 331A.01, subdivision
10.34 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle
10.35 weight of 10,000 pounds or less; and

11.1 (15) the transportation of potatoes from the field of production, or a storage site
11.2 owned or otherwise controlled by the producer, to the first place of processing.
11.3 The exemptions provided in this section apply to a person only while the person is
11.4 exclusively engaged in exempt transportation.

11.5 Sec. 7. Minnesota Statutes 2006, section 221.026, is amended to read:

11.6 **221.026 MOTOR CARRIER OF PROPERTY; EXEMPTIONS.**

11.7 Subdivision 1. **Registration.** No person may engage in the for-hire transportation
11.8 of property, ~~other than household goods~~, in Minnesota unless the person has filed a
11.9 registration statement with the commissioner on a form the commissioner prescribes.

11.10 Subd. 2. **Exemptions from requirements.** Notwithstanding any other law, a motor
11.11 carrier of property is exempt from sections 221.021; ~~221.072; 221.121; 221.122; 221.123;~~
11.12 ~~221.131; 221.132; 221.151; 221.161;~~ 221.172, subdivisions 3 to 8; and 221.185, except as
11.13 provided in subdivision 4, ~~and 221.296~~. The exemptions in this subdivision do not apply
11.14 to a motor carrier of property while transporting household goods.

11.15 Subd. 3. **Safety regulations.** A motor carrier of property is subject to those federal
11.16 regulations incorporated by reference in section 221.0314, unless exempted from those
11.17 regulations by section 221.031.

11.18 Subd. 4. **Suspension and cancellation of registration.** The commissioner
11.19 shall suspend or cancel, following the procedures for suspension or cancellation in
11.20 section 221.185, the registration of a motor carrier of property who fails to file with the
11.21 commissioner or maintain the insurance or bond required under section 221.141. A person
11.22 may not engage in the for-hire transportation of property, ~~other than household goods~~,
11.23 in Minnesota while the person's registration is under suspension or cancellation under
11.24 this subdivision.

11.25 Subd. 5. **Local regulation.** Section 221.091 applies to registration statements
11.26 under this section to the same extent that it applies to certificates and permits issued by
11.27 the ~~board~~ commissioner.

11.28 Sec. 8. Minnesota Statutes 2006, section 221.031, subdivision 1, is amended to read:

11.29 Subdivision 1. **Powers, duties, reports, limitations.** (a) This subdivision applies to
11.30 motor carriers engaged in intrastate commerce.

11.31 (b) The commissioner shall prescribe rules for the operation of motor carriers,
11.32 including their facilities; accounts; leasing of vehicles and drivers; service; safe operation
11.33 of vehicles; equipment, parts, and accessories; hours of service of drivers; driver
11.34 qualifications; accident reporting; identification of vehicles; installation of safety devices;

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12.1 inspection, repair, and maintenance; and proper automatic speed regulators if, in the
12.2 opinion of the commissioner, there is a need for the rules.

12.3 (c) The commissioner shall direct the repair and reconstruction or replacement of
12.4 an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require
12.5 the construction and maintenance or furnishing of suitable and proper freight terminals,
12.6 passenger depots, waiting rooms, and accommodations or shelters in a city in this state or
12.7 at a point on the highway traversed ~~which~~ that the commissioner, after investigation by the
12.8 department, ~~may deem~~ deems just and proper for the protection of passengers or property.

12.9 ~~(d) The commissioner shall require holders of household goods mover permits to file~~
12.10 ~~annual and other reports including annual accounts of motor carriers, schedules of rates~~
12.11 ~~and charges, or other data by motor carriers, regulate motor carriers in matters affecting~~
12.12 ~~the relationship between them and the traveling and shipping public, and prescribe other~~
12.13 ~~rules as may be necessary to carry out the provisions of this chapter.~~

12.14 ~~(e) A motor carrier subject to paragraph (d) but having gross revenues from for-hire~~
12.15 ~~transportation in a calendar year of less than \$200,000 may, at the discretion of the~~
12.16 ~~commissioner, be exempted from the filing of an annual report, if instead the motor carrier~~
12.17 ~~files an abbreviated annual report, in a form as may be prescribed by the commissioner,~~
12.18 ~~attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous~~
12.19 ~~calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes~~
12.20 ~~of this subdivision only, do not include gross revenues received from the operation of~~
12.21 ~~school buses as defined in section 169.01, subdivision 6.~~

12.22 ~~(f) The commissioner shall enforce sections 169.781 to 169.783.~~

12.23 Sec. 9. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

12.24 Subdivision 1. **Order.** The commissioner may issue an order requiring violations
12.25 to be corrected and administratively assessing monetary penalties for a violation of (1)
12.26 section 221.021; (2) section 221.0255; (3) section 221.033, subdivision 2b; ~~(3) section~~
12.27 ~~221.151; (4) section 221.171; (5) (4) section 221.141; or (6) (5) rules of the commissioner~~
12.28 relating to the transportation of hazardous waste, motor carrier operations, or insurance, ~~or~~
12.29 ~~tariffs and accounting.~~ An order must be issued as provided in this section.

12.30 Sec. 10. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

12.31 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an
12.32 order assessing a penalty of up to \$5,000 for all violations of ~~section 221.021; 221.141;~~
12.33 ~~221.151; or 221.171, or rules of the commissioner relating to motor carrier operations,~~
12.34 ~~insurance, or tariffs and accounting,~~ identified under subdivision 1, except for rules of the

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13.1 commissioner relating to the transportation of hazardous waste or as otherwise provided
13.2 under paragraph (b), identified during a single inspection, audit, or investigation.

13.3 (b) The commissioner may issue an order assessing a penalty up to a maximum of
13.4 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
13.5 inspection or audit.

13.6 (c) In determining the amount of a penalty, the commissioner shall consider:

13.7 (1) the willfulness of the violation;

13.8 (2) the gravity of the violation, including damage to humans, animals, air, water,
13.9 land, or other natural resources of the state;

13.10 (3) the history of past violations, including the similarity of the most recent violation
13.11 and the violation to be penalized, the time elapsed since the last violation, the number of
13.12 previous violations, and the response of the person to the most recent violation identified;

13.13 (4) the economic benefit gained by the person by allowing or committing the
13.14 violation; and

13.15 (5) other factors as justice may require, if the commissioner specifically identifies
13.16 the additional factors in the commissioner's order.

13.17 (d) The commissioner shall assess a penalty of not less than \$1,000 against a driver
13.18 who is convicted of a violation of an out-of-service order. The commissioner shall assess
13.19 a penalty of not more than \$10,000 against an employer who knowingly allows or requires
13.20 an employee to operate a commercial motor vehicle in violation of an out-of-service order.

13.21 Sec. 11. Minnesota Statutes 2006, section 221.131, is amended to read:

13.22 **221.131 ~~CARRIER ANNUAL VEHICLE REGISTRATION; FEES,~~**
13.23 **~~IDENTIFICATION CARD FOR MOTOR CARRIERS OF PASSENGERS.~~**

13.24 Subdivision 1. **Permit Registration renewal.** ~~Permits~~ Certificates of registration
13.25 ~~issued under section 221.121 to a motor carrier of passengers under section 221.0252~~
13.26 ~~are effective for a 12-month period. A permit certificate of registration holder must~~
13.27 ~~shall~~ renew the permit certificate annually by registration of the vehicles operated under
13.28 authority of that ~~permit as required by subdivision 2 certificate.~~ A permit certificate holder
13.29 has one annual renewal date encompassing all of the ~~permits certificates~~ held by the holder.

13.30 Subd. 2. **Annual vehicle registration; fee.** (a) ~~This subdivision applies only to~~
13.31 ~~holders of household goods mover permits and motor carriers of passengers.~~

13.32 (b) A ~~permit holder or~~ motor carrier of passengers shall pay an annual registration
13.33 fee of \$75 on each vehicle, including pickup and delivery vehicles, operated by the carrier
13.34 under authority of the ~~permit or~~ certificate of registration during the 12-month period or
13.35 fraction of the 12-month period. Trailers and semitrailers used by a permit certificate

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holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units.

~~(e)~~ (b) The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the carrier and payment of a transfer fee of \$10. An identification card issued under this section is valid only for the period for which the ~~permit~~ or certificate of registration is effective.

~~(d)~~ (c) A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost.

~~(e)~~ (d) The proceeds of the fees collected under this subdivision must be deposited in the trunk highway fund.

~~Subd. 2a: **Vehicle identification.** The permit holder must be identified on the power unit of each registered vehicle operated under the permit. Vehicles must show the name or the "doing business as" name of the permit holder operating the vehicle and the community and abbreviation of the state in which the permit holder maintains its principal office or in which the vehicle is customarily based. If the permit holder operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating permit holder appears on the vehicle, the words "operated by" must immediately precede the name of the permit holder. The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.~~

~~Subd. 3: **Certificate carrier; annual vehicle registration.** Certificated passenger carriers shall pay an annual registration fee of \$40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.~~

Subd. 4. **Floater card; fee.** The department may issue to carriers subject to subdivision 2 ~~or 3~~ special "floater" identification cards up to a maximum of five per motor carrier. Floater cards may be freely transferred between vehicles that have evidence of being inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within the previous 12 months, or have a current Commercial Vehicle Safety Alliance decal, and

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15.1 that are used under short-term leases by the motor carrier. The motor carrier shall pay a
15.2 fee of \$100 for each floater card issued.

15.3 Subd. 5. **Limitation.** The provisions of this section are limited by applicable
15.4 federal law.

15.5 Sec. 12. Minnesota Statutes 2006, section 221.132, is amended to read:

15.6 **221.132 PREPAID TEMPORARY VEHICLE IDENTIFICATION CARD.**

15.7 For special or extraordinary events, the commissioner may issue a prepaid
15.8 temporary vehicle identification card to a ~~permit or~~ certificate holder subject to section
15.9 221.131, subdivision 2 ~~or 3~~, for a fee of \$5 per card. The card must be preprinted by the
15.10 commissioner with the carrier's name, address, and ~~permit or~~ certificate number. The card
15.11 may be used by the motor carrier to whom it is issued to identify a vehicle temporarily
15.12 added to its fleet, if the vehicle has evidence of being inspected under section 221.0252,
15.13 subdivision 3, paragraph (a), clause (2), within the previous 12 months, or has a current
15.14 Commercial Vehicle Safety Alliance decal. The card must be executed by the motor carrier
15.15 by dating and signing the card and describing the vehicle in which it will be carried. The
15.16 identification card is valid for a period of ten days from the date the motor carrier places
15.17 on the card when the card is executed. The card must be used within one year from the
15.18 date of issuance by the commissioner. The card may not be used if the ~~permit or~~ certificate
15.19 is not in full force and effect. The card may not be transferred. The commissioner may not
15.20 refund the cost of unused prepaid temporary vehicle identification cards.

15.21 Sec. 13. Minnesota Statutes 2006, section 221.141, subdivision 4, is amended to read:

15.22 Subd. 4. **Household goods ~~mover~~ motor carrier.** A household goods ~~mover~~ motor
15.23 carrier shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000
15.24 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A
15.25 cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate
15.26 of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond
15.27 must conform to Form J, described in Code of Federal Regulations, title 49, part 1023.
15.28 Both Form H and Form J are incorporated by reference. The cargo certificate of insurance
15.29 or cargo bond must be issued in the full and correct name of the person, corporation, or
15.30 partnership to whom the ~~household goods mover permit~~ certificate of registration was
15.31 issued and whose operations are being insured.

15.32 Sec. 14. Minnesota Statutes 2006, section 221.185, is amended to read:

15.33 **221.185 OPERATING AUTHORITY; SUSPENSION, CANCELLATION.**

Subdivision 1. ~~Grounds~~ **Order for suspension.** Despite the provisions of section 221.021, a ~~household goods mover permit or a motor carrier~~ certificate of registration issued under section 221.0251 ~~or~~ 221.0252, or 221.0253 is suspended without a hearing, by order of the commissioner, if the ~~permit~~ certificate holder or carrier fails to:

(1) maintain and file with the commissioner, the insurance or bond required by section 221.141 and rules adopted under that section ~~or the carrier or permit holder fails to;~~

(2) pay annual vehicle registration fees ~~or renew permits~~ as required by section 221.131, ~~or the permit holder or carrier fails to;~~ or

(3) pay an administrative penalty under section 221.036.

Subd. 2. **Notice of suspension.** (a) Failure to file and maintain insurance, ~~renew permits under section 221.131,~~ or to pay annual vehicle registration fees ~~or renew permits under section 221.131 or 221.296,~~ or to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, or ~~221.153, subdivision 3,~~ suspends a motor carrier's ~~permit or~~ certificate two days after the commissioner sends notice of the suspension by certified mail, return receipt requested, to the last known address of the motor carrier.

(b) In order to avoid permanent cancellation of the ~~permit or~~ certificate, the motor carrier must do one of the following within 45 days from the date of suspension:

(1) comply with the law by filing insurance or bond, ~~renewing permits,~~ or paying vehicle registration fees; or

(2) request a hearing before the commissioner regarding the failure to comply with the law.

Subd. 2a. **Notice of suspension; effective date.** The commissioner shall issue a notice of suspension if one of the conditions described in subdivision 1 occurs. The notice must give the reason for suspension and must be sent to the last known address of the carrier by certified mail, return receipt requested. A suspension is effective two days after a notice is mailed.

Subd. 3. **Suspension rescission.** If the motor carrier complies with the requirements of this chapter within 45 days after the date of suspension and pays the required fees, including a late vehicle registration fee of \$5 for each vehicle registered, the commissioner shall rescind the suspension unless the carrier's registration has expired. If a registered carrier fails to comply within one year of the effective date of a suspension, the carrier's registration is canceled.

Subd. 3a. **Hearing.** If the motor carrier requests a hearing within 45 days after the date of suspension, the commissioner shall review the suspension and:

(1) determine that the carrier has complied with the law and rescind the suspension;

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(2) for just cause, grant an extension which must not exceed 20 days; or

(3) schedule a hearing to ascertain whether the carrier has failed to comply with the law. If it is determined after the hearing that the carrier has failed to comply with the law, the commissioner shall cancel the carrier's suspended ~~permit or~~ certificate.

Subd. 4. **Grounds for cancellation.** Except as provided in subdivision 5a, failure to comply with the requirements of ~~sections~~ section 221.141 ~~and 221.296~~ relating to bonds and insurance, ~~221.131 relating to permit renewal, 221.131 or 221.296~~ relating to annual vehicle registration or ~~permit renewal, 221.121, subdivision 6g, or 221.153, subdivision 3,~~ relating to protective agent or private detective licensure, or to request a hearing within 45 days of the date of suspension, is deemed an abandonment of the motor carrier's ~~permit or~~ certificate and the ~~permit or~~ certificate must be canceled by the commissioner.

Subd. 5. **Notice of cancellation.** The commissioner shall notify the motor carrier by certified mail, return receipt requested, that the ~~permit or~~ certificate is canceled effective on the date of mailing the notice of cancellation.

Subd. 5a. **Reinstatement after cancellation.** A motor carrier whose permit or certificate is canceled for failure to comply with ~~sections~~ section 221.141 ~~and 221.296~~ relating to bonds and insurance may ask the commissioner to review the cancellation. Upon review, the commissioner shall rescind the cancellation if (1) the motor carrier presents evidence showing that before the effective date of the notice of cancellation issued under subdivision 5, the motor carrier had obtained and paid for the insurance required by ~~sections~~ section 221.141 ~~and 221.296~~, and the rules of the commissioner, and (2) the commissioner is satisfied that the motor carrier has complied with the requirements of ~~sections~~ section 221.141 ~~and 221.296~~ and the rules of the commissioner.

Subd. 9. **New petition.** If the holder of a canceled ~~permit or~~ certificate seeks authority to operate as a motor carrier ~~it, the holder~~ shall file a petition with the commissioner ~~for a permit or certificate as provided in section 221.121 or 221.296,~~ ~~whichever is applicable.~~

Sec. 15. Minnesota Statutes 2006, section 221.221, subdivision 3, is amended to read:

Subd. 3. **Delegated powers.** Representatives of the department to whom authority has been delegated by the commissioner for the purpose of enforcing sections 169.781 to 169.783 ~~and 221.171~~ and the rules, orders, or directives of the commissioner adopted or issued under those sections, and for no other purpose, ~~shall~~ have the powers conferred by law upon police officers. The representatives of the department have the power to inspect records, logs, freight bills, bills of lading, or other documents, which may provide evidence to determine compliance with sections 169.781 to 169.783 ~~and 221.171~~.

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Sec. 16. Minnesota Statutes 2006, section 221.291, subdivision 4, is amended to read:

Subd. 4. **Operating without registration or permit.** A person who operates a motor carrier without first registering under section 221.0251 ~~or~~, 221.0252, or ~~who operates as a household goods mover without having obtained the necessary permit,~~ 221.0253 is guilty of a misdemeanor, and upon conviction ~~shall~~ must be fined not less than the maximum fine ~~which~~ that may be imposed for a misdemeanor for each violation.

Sec. 17. **REVISION OF RULES.**

The commissioner of transportation shall repeal, amend, and adopt revisions to rules relating to household goods contained in Minnesota Rules, chapters 7800 and 7805, and may use the expedited process for adopting rules under Minnesota Statutes, section 14.389.

Sec. 18. **INSTRUCTION TO REVISOR.**

The revisor of statutes shall change the phrase "sections 221.011 to 221.296" to read "this chapter" where found in Minnesota Statutes, sections 221.021, subdivision 1; 221.022; and 221.091, subdivision 1.

Sec. 19. **REPEALER.**

Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions 24, 25, 28, 29, 38, 39, 41, 44, and 45; 221.0252, subdivision 7; 221.072; 221.111; 221.121; 221.122; 221.123; 221.131, subdivisions 2a and 3; 221.141, subdivision 6; 221.151; 221.152; 221.153, subdivisions 1 and 2; 221.161; 221.171; 221.172, subdivisions 3, 4, 5, 6, 7, and 8; and 221.296, subdivisions 3, 4, 5, 6, 7, and 8, are repealed.

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174.65 CARRIER HEARINGS AND APPEALS.

Subdivision 1. **Hearings.** All hearings related to common carriers by rail or motor carriers and required to be conducted by the commissioner of transportation must be conducted pursuant to sections 14.001 to 14.69.

Subd. 2. **Appeals.** An appeal from an order of the commissioner must be in accordance with chapter 14.

221.011 DEFINITIONS.

Subd. 24. **Livestock carrier.** "Livestock carrier" means any person whose primary business is the transportation of livestock.

Subd. 25. **Courier services carrier.** (a) "Courier services carrier" means any person who transports packages and articles except household goods by either:

(1) expedited delivery, which means that:

(i) shipments are made by single axle straight truck or smaller vehicle;

(ii) shipments are picked up within one hour of the shipper's initial request for service;

(iii) after shipments are picked up, delivery is made within six hours; and

(iv) there is no cross docking or overnight sorting of shipments; or

(2) overnight small package delivery, which means that:

(i) the transportation originates and ends on the same calendar day or the following business day;

(ii) no package or article of a shipment exceeds 100 pounds per item;

(iii) the aggregate of shipments received by a single consignee from a single consignor on a single calendar day does not exceed 400 pounds;

(iv) a vehicle at the point of delivery does not exceed 15,000 pounds gross vehicle weight;

(v) there may be cross docking or overnight sorting of shipments; and

(vi) operations of the courier services carrier may resemble operations of other types of carriers defined in this section.

(b) Courier service carriers must maintain accurate records of each shipment picked up and delivered, including (1) time of the request for service, (2) time of the pickup, (3) time of delivery, (4) weight of the shipment, and (5) the specific vehicle or vehicles used to transport the shipment.

Subd. 28. **Local cartage carrier.** "Local cartage carrier" means a person engaged in transporting property or freight, other than household goods and petroleum products, for hire when the movement is entirely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by subdivision 17.

Subd. 29. **Hazardous material.** "Hazardous material" means a substance or material determined by the United States secretary of transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce, and so designated by the United States secretary of transportation.

Subd. 38. **Class I carrier.** "Class I carrier" means a person who has been issued a certificate of registration.

Subd. 39. **Class II carrier.** "Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.

Subd. 41. **Temperature-controlled commodity.** "Temperature-controlled commodity" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature-controlled vehicles.

Subd. 44. **Armored carrier service.** "Armored carrier service" means transportation of property in armored vehicles protected by at least one armed person other than the driver.

Subd. 45. **Armored carrier.** "Armored carrier" is a motor carrier engaged in providing armored carrier service.

221.0252 PASSENGER CARRIER; REGISTRATION, EXEMPTIONS.

Subd. 7. **Exemptions from regulation.** Notwithstanding any other law, motor carriers of passengers are exempt from sections 221.121; 221.122; 221.123; 221.151; 221.161; and 221.171.

221.072 CLASS I CARRIER.

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Subdivision 1. **Authority.** The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.

Subd. 2. **Exceptions.** This section does not apply to any carrier listed in section 221.111, clauses (3) to (10).

Subd. 3. **Operation.** A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.

221.111 PERMIT TO OTHER MOTOR CARRIER.

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits.

221.121 PERMIT: APPROVAL PROCESS; OPERATING AUTHORITY; FEE.

Subdivision 1. **Petition; notice and hearing; scope.** (a) A person desiring to operate as a permit carrier, except as provided in subdivision 5 or section 221.296, shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the commissioner may require. Letters of shipper support must be filed with the petition. No person shall knowingly make a false or misleading statement in a petition.

(b) The commissioner, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291.

(c) A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner governing permit carriers.

(d) No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the commissioner from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Subd. 2. **Temporary permit.** The commissioner may grant a temporary permit, ex parte, valid for a period not exceeding 180 days, upon a showing that there is an immediate and urgent need for the proposed service, pending prompt action by the permit holder to follow regular procedure in securing the permit, and that immediate and urgent authority from the commissioner is in the public interest. A copy of the order granting the temporary permit, ex parte, must be mailed immediately to interested parties.

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Subd. 3. **Cooperative association.** The commissioner may issue a permit as a contract carrier to cooperative associations whose memberships are limited to bona fide farmers' cooperative associations, that transport and do business only with and for the associations, and who transport merely as an incident to other business. The commissioner may not limit the number of hauling contracts of a cooperative association.

Subd. 4. **Extensions of authority.** The commissioner may grant extensions of authority ex parte after due notice of a petition has been published. A party desiring to protest the petition shall file its protest by mail or in person within 20 days of the date of notice, except that no protest may be filed against an application submitted under subdivision 6f. If a timely filed protest is received, the matter must be placed on the calendar for hearing. If a timely protest is not received, the commissioner may issue its order ex parte.

Subd. 5. **Livestock carrier.** A person desiring to operate as a livestock carrier shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the commissioner may require.

The commissioner shall issue the permit upon compliance with laws and rules relating to the permit unless it finds that petitioner's vehicles do not meet the safety standards prescribed by the commissioner or that petitioner is not fit and able to conduct the proposed operations. A permit issued under Laws 1983, chapter 371, must be renewed upon compliance with the provisions of Laws 1959, chapter 376, and the rules of the commissioner. A livestock carrier, on the return trip after hauling livestock and delivering the livestock, may transport other commodities or property to the carrier's headquarters area. The livestock carrier may transport supplies and equipment used in farm work from the carrier's headquarters area to any point in the state or from any point in the state to the headquarters area.

Subd. 6. **Courier services carrier.** A person desiring to operate as a courier services carrier shall follow the procedure established in subdivision 1 and shall be granted a permit as a courier services carrier if the person meets the criteria established in subdivision 1. The commissioner shall not deny a permit for a courier services carrier on the grounds that operations performed by the applicant resemble operations of other types of carriers defined in section 221.011.

Subd. 6a. **Household goods carrier.** A person who desires to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request a household goods mover permit. The permit granted by the commissioner to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as a household goods mover. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have a household goods mover permit.

Subd. 6c. **Class II carrier.** (a) A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal.

(b) For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2) "terminal" does not include (i) a terminal used exclusively for handling bulk commodities, and (ii) a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Subd. 6d. **Temperature-controlled commodities carrier.** A person who desires to hold out or to operate as a carrier of temperature-controlled commodities shall follow the procedure established in subdivision 1 and shall specifically request a temperature-controlled commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of temperature-controlled commodities.

Subd. 6e. **Class II-T permit.** A holder of a class II-T permit may transport truckload freight to and from any point named in the permit without restriction as to routes, schedules, or frequency of service.

Subd. 6f. **Class II-L permit.** (a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.

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(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from points within the geographic area the carrier was authorized to serve on December 31, 1992, that were not listed in the carrier's permit. Service by a carrier under this paragraph may be provided no more often than on 24 days in a 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit to add points within the geographic area the carrier was authorized to serve on December 31, 1992. The carrier must submit to the commissioner an application on a form provided by the commissioner; the application must name the points proposed to be served and include evidence of need for the proposed service. Evidence of need may consist of a letter from a consignor attesting to need for the proposed service and intent to use the proposed service. The commissioner shall transmit the application to the board. The board shall publish notice of an approved application in the board's weekly calendar. Failure by the board to deny the application within ten days after receipt of the application from the commissioner constitutes approval of the application.

Subd. 7. **Fee.** The petitioner shall pay a fee of \$150 into the treasury of the state of Minnesota for each kind of permit or extension of authority for which a petition is filed under this section.

221.122 ORDER GRANTING PERMIT OR CERTIFICATE; COMPLIANCE.

Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued by the commissioner which grants a certificate or permit must contain a service date.

(b) The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

(1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law;

(2) file and maintain insurance or bond as required by sections 221.141 and 221.296 and rules of the commissioner; and

(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.

Subd. 2. **Time extension.** The commissioner may extend the time for compliance with the requirements of subdivision 1. The person to whom the order was issued shall request the extension in writing and shall state the reasons for requesting the extension. The commissioner may not grant an extension of more than 45 days.

Subd. 3. **Failure to comply.** An order of the commissioner granting a certificate or permit to operate as a motor carrier takes effect on the date of compliance with the requirements of subdivision 1. Failure of the person to whom the order was issued to comply with the requirements of subdivision 1 within 45 days from the service date of the order, or within the extended time for compliance if an extension was granted by the commissioner, makes the order null and void upon the expiration of the time for compliance.

221.123 EFFECT OF DEATH OF PERMIT HOLDER.

This section governs the transfer of a permit in the event of the death of the permit holder. Within one year after the transfer of a permit of a deceased permit holder by the deceased permit holder's personal representative, or within one year after the date of a decree or order issued by the district court transferring the permit of a deceased permit holder, the distributee, as defined in section 524.1-201, who received the permit shall apply to the commissioner to have the permit transferred under the provisions of section 221.151, subdivision 2.

If an application to transfer the permit is not filed within the time prescribed above, the permit is revoked and the commissioner shall so notify the person who had received the permit.

221.131 CARRIER VEHICLE REGISTRATION; FEES, IDENTIFICATION CARD.

Subd. 2a. **Vehicle identification.** The permit holder must be identified on the power unit of each registered vehicle operated under the permit. Vehicles must show the name or the "doing business as" name of the permit holder operating the vehicle and the community and abbreviation of the state in which the permit holder maintains its principal office or in which the vehicle is customarily based. If the permit holder operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating permit holder appears on the vehicle, the words "operated by" must immediately precede the name of the permit holder. The name and address must be in letters

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that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.

Subd. 3. **Certificate carrier; annual vehicle registration.** Certificated passenger carriers shall pay an annual registration fee of \$40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

221.141 INSURANCE OR BOND.

Subd. 6. **Armored carrier.** An armored carrier must maintain in effect cargo insurance, cargo bond, or moneys and securities insurance coverage in a minimum amount of \$300,000 per incident and must file, or its insurer must file, with the commissioner a cargo certificate of insurance, cargo bond, or certificate of moneys and securities coverage. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J described in Code of Federal Regulations, title 49, part 1023. A certificate of moneys and securities coverage must conform to either Form H or Form J with such variances as the commissioner may allow to accommodate industry practice. Form H and Form J are incorporated by reference. The cargo certificate of insurance, cargo bond, or certificate of moneys and securities coverage must be issued in the full and correct name of the person, corporation, or partnership to whom the armored carrier permit was issued and whose operations are being insured.

221.151 PERMIT ASSIGNABLE OR TRANSFERABLE.

Subdivision 1. **Petition.** Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the commissioner approving the transfer or assignment after notice and hearing.

The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the commissioner, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing, and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the commissioner may make an order granting the sale or lease. Provided, however, that the commissioner shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the commissioner under this chapter or to a common carrier by rail.

Provided further that the commissioner shall make no order approving the sale or lease of a permit if the commissioner finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill involved. The commissioner shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale. The commissioner shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the commissioner within 30 days of the agreement.

If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial

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or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the commissioner within 30 days after the sale, assignment, pledge, or other transfer of stock. The commissioner shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Subd. 2. **Ex parte transfer.** (a) The commissioner shall allow a bona fide transfer of a permit, except a livestock carrier permit, ex parte without hearing if the transferee of the permit is in fact a member or members of the transferor's immediate family. For the purpose of this subdivision immediate family consists only of the lawful spouse, adult child or children, brother, or sister of the transferor. Provided further that the immediate family as defined in this subdivision does not include a person under legal disability or a member of the family regardless of relationship who holds any other permit or certificate under this chapter either as an individual or in partnership or as owner of an interest in a corporation holding a permit or a certificate under this chapter.

(b) Provided further that the transfer under this subdivision must include:

(1) transfer to a corporation the stock of which is wholly owned by the transferor or immediate family members;

(2) transfer to a partnership or partner consisting solely of the immediate family as defined in this subdivision.

(c) Provided further that the transfer of a permit under this subdivision must comply with the standards set forth in this section based upon the contents of the petition of petitioners, pertinent information available to the commissioner, and their records and files. No determination of the extent of the operating authority previously exercised is required.

(d) If it appears to the commissioner that the petition and exhibits do not reasonably comply with the standards set forth in this section, then after notice to interested parties and the petitioners, the commissioner shall assign the matter for hearing to determine compliance with this section. A user of the service, competing carrier, or interested party shall have the right to file a protest on the transfer as provided in this subdivision by filing a sworn statement with the commissioner within six months from the date of the transfer, whereupon the commissioner shall assign the matter for hearing and the continuance of the permit may only be upon the transferee's compliance with the standards and procedures otherwise imposed by this section.

Subd. 3. **Transfer of certain authority.** Operating authority described in section 221.121, subdivision 6f, paragraph (c), that has not been added to the motor carrier's permit under section 221.121, subdivision 6f, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.

221.152 CONVERSION OF PERMIT.

Subdivision 1. **Expiration of operating authority.** Except as provided in subdivision 3, paragraph (c), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

Subd. 2. **Conversion.** All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.

Subd. 3. **Issuance of new certificate or permit.** (a) By September 1, 1992, a motor carrier described in subdivision 2 must submit to the commissioner an application for conversion. The application must be on a form prescribed by the commissioner and must be accompanied by an application fee of \$50. The application must state: (1) the name and address of the applicant; (2) the identifying number of the expiring certificates or permits the applicant wishes to convert; and (3) other information the commissioner deems necessary. An applicant for a class II-L permit must also submit a statement of the extent of operating authority that the applicant holds under the applicant's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually exercised as described in section 221.151, subdivision 1.

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(b) The commissioner shall transmit to the board all applications that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on applications submitted under this subdivision. Within 60 days after receiving an application under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the application if it finds that the issuance is authorized under this section. An application submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the application.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. **Authority converted.** (a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to an applicant under this subdivision that names points that the permit holder did not serve at any time in the two years before April 30, 1992.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who, before January 1, 1993, held an irregular route common carrier permit under which the person transported temperature-controlled commodities applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant a temperature-controlled commodities permit with authority to operate in the same geographic area authorized under the person's irregular route common carrier permit and a class II permit.

(e) A permit holder that received its permit less than 24 months prior to the effective date of Laws 1992, chapter 600, shall be authorized by the board to operate for a period of up to 24 months or December 31, 1993, whichever occurs first. Prior to January 1, 1994, the permit holder shall follow the procedures for conversion of permits contained in this section. The board shall extend the permit up to June 30, 1994, as required to convert the permit.

221.153 ARMORED CARRIER; CONVERSION OF OPERATING AUTHORITY.

Subdivision 1. **Expiration of operating authority.** All operating authority under certificates or permits granted by the board that authorizes armored carrier service expires on March 1, 1994. After February 28, 1994, no person may provide armored carrier service unless the person holds a valid armored carrier permit issued by the board. This subdivision does not require the expiration of any operating authority other than authority for armored carrier service. This subdivision does not limit the right of carriers to transport items of exceptional value in nonarmored vehicles that are not protected by at least one armed person exclusive of the driver.

Subd. 2. **Conversion.** A motor carrier holding operating authority that expires on March 1, 1994, under subdivision 1 who wishes to continue providing the service authorized by that operating authority must convert that operating authority into an armored carrier permit before that date.

221.161 SCHEDULE OF RATES AND CHARGES.

Subdivision 1. **Filing; hearing upon board initiative; armored carrier exemption.**

(a) Except as provided in paragraph (b), a permit carrier, including a livestock carrier but not including a local cartage carrier, shall file and maintain with the commissioner a tariff showing rates and charges for transporting persons or property. Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust,

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unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the board may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the permit carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the permit carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. Tariffs for transporting livestock are not subject to rejection, suspension, or postponement by the board, except as provided in subdivisions 2 and 3. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner.

(b) A holder of an armored carrier permit is not required to file a tariff under this subdivision for the service authorized by the armored carrier permit.

Subd. 2. Hearing upon complaint. Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. Hearing upon petition by another carrier. Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. Hearing on merits of rates and charges. The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory. Schedules of rates and charges for the transportation of livestock are not subject to rejection, suspension, postponement, or investigation by the commissioner except as provided in subdivisions 2 and 3.

221.171 COMPENSATION OF PERMIT CARRIER FIXED.

Subdivision 1. Compensation fixed by schedule on file. No permit carrier shall charge or receive a greater, lesser, or different compensation for the transportation of persons or property or for related service, than the rates and charges named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner under section 221.161; nor shall a permit carrier refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the carrier under the carrier's schedules or under the rates, if any, fixed by the commissioner.

Subd. 2. Exemptions; household goods. (a) A person engaged in the transportation of household goods for the federal government or an agency of the federal government or the

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transportation of household goods for the state government or an agency of the state government where competitive bids are required by law is exempt from subdivision 1.

(b) A person engaged in the transportation of household goods at the request of a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code is exempt from subdivision 1 when the transportation is in furtherance of the organization's charitable purpose. A person engaged in the transportation of household goods for a charitable organization may conduct the transportation without restriction to the geographic area the carrier is authorized to serve under section 221.121.

221.172 SHIPPING DOCUMENT.

Subd. 3. **Class I, class II, or temperature-controlled commodities carrier; household goods mover.** (a) A class I carrier, class II carrier, household goods mover, and a holder of a temperature-controlled commodities permit shall keep a record of each shipment transported under a certificate or permit. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.

(b) A record must show the:

- (1) names of the consignor and consignee;
- (2) date of shipment;
- (3) origin and destination points;
- (4) number of packages, if applicable to the rating of the freight or if the carrier's operating authority includes a package or article restriction, unless the shipment is transported by a household goods mover;
- (5) description of the freight;
- (6) weight, volume, or measurement of the freight, if applicable to the rating of the freight or if the carrier's operating authority includes a weight restriction;
- (7) exact rate or rates assessed;
- (8) total charges due, including the nature and amount of any charges for special service;
- (9) the name of each carrier participating in the transportation; and
- (10) after January 1, 1994, any terminals through which the shipment moved.

Subd. 4. **Truckload record.** In addition to the items listed in subdivision 3, if the transportation is provided under a class II-T permit or is a shipment of truckload freight, a record must include the word "truckload" or must prominently display the letters "II-T" and must show the name of the driver or drivers who transported the shipment, the pickup and delivery times, and the license plate number or unit number of the power unit and trailer used to transport the shipment.

Subd. 5. **Temperature-controlled commodities carrier.** In addition to the items listed in subdivision 3, if the transportation is provided under a temperature-controlled commodities permit, a record must include the words "temperature-controlled commodities" or must prominently display the letters "TCC" and must indicate the reasons for protecting the commodity from heat or cold.

Subd. 6. **Courier services carrier.** (a) A courier services carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.

(b) A record must show the:

- (1) names of the consignor and consignee;
 - (2) date of shipment;
 - (3) origin and destination points;
 - (4) number of packages;
 - (5) weight, volume, or measurement of the freight, if applicable to the rating of the freight;
 - (6) exact rate or rates assessed; and
 - (7) total charges due, including the nature and amount of any charges for special service.
- (c) In addition to the items listed in paragraph (b), if the transportation is expedited delivery, a record also must show the:
- (1) license plate number or unit number of the vehicle used to transport the shipment;
 - (2) time of the shipper's initial request for service; and
 - (3) pickup and delivery times.

(d) In addition to the items listed in paragraph (a), if the transportation is overnight small package delivery, a record also must show the:

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(1) license plate number or unit number of the vehicle used to transport the shipment at the point of delivery; and

(2) weight of each package or article of a shipment.

Subd. 7. **Contract carrier.** (a) A contract carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.

(b) A record must show the:

(1) names of the consignor and consignee;

(2) date of shipment;

(3) origin and destination points;

(4) description of freight;

(5) weight, volume, or measurement of the freight, if applicable to the rating of the freight or if the contract carrier's operating authority includes a weight restriction;

(6) exact rate or rates assessed; and

(7) total charges due, including the nature and amount of any charges for special service.

Subd. 8. **Local cartage carrier.** (a) A local cartage carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together.

(b) A record must show the:

(1) date of shipment;

(2) origin and destination points; and

(3) terminal through which the shipment moved, if any.

221.296 LOCAL CARTAGE CARRIER.

Subd. 3. **Permit required.** No person shall operate a local cartage carrier without a permit in full force and effect with respect to the operation. The commissioner may revoke or suspend the permit of a local cartage carrier after notice and hearing for violating a provision of this section or a rule of the commissioner governing local cartage carriers. The commissioner may by order suspend or cancel the permit under section 221.185.

Subd. 4. **Petition for permit.** A person desiring to operate as a local cartage carrier shall file a petition with the commissioner specifying the service offered, the name and address of the petitioner, the names and addresses of the officers, if a corporation, and other information as the commissioner may require. The commissioner, after notice to interested parties and a hearing, shall issue the permit upon compliance with laws and rules relating to it unless it finds that the area to be served has a sufficient number of local cartage carriers to fully and adequately meet the needs of the area, that the petitioners' vehicles do not meet the safety standards adopted by rule by the commissioner, or that petitioner is not fit and able to conduct the proposed operations. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and rules of the commissioner governing local cartage carriers.

Subd. 5. **Permit fees.** Upon filing a petition for a permit the petitioner shall pay to the commissioner as a fee for the issuance of the permit, the sum of \$150, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles. Upon issuance of the permit the commissioner shall assign the carrier a permit number, which must be painted or prominently displayed on both sides of vehicles used by the local cartage carrier under authority of the permit.

The commissioner shall issue a distinguishing annual identification card for each vehicle or power unit for which a permit has been issued. The identification card must be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and payment of a transfer fee of \$10. An identification card issued under this section is effective only for the period for which the permit is effective.

Subd. 6. **Bond.** Local cartage carriers shall comply with the requirements of section 221.141.

Subd. 7. **Limitations.** Nothing in this section shall be construed in any manner as taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of any motor vehicle operated by local cartage carriers, nor the

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general police powers of any city of its highways, nor as abrogating any provision of the charter of any city requiring conditions to be complied with before such local cartage carrier can use the highways of such city, and such rights and powers hereby stated are reserved and granted to such city; but no city shall prohibit or deny the use of the public highways within its territorial boundaries by any local cartage carrier for the transportation of property received within its boundaries to destinations beyond such boundaries, or for the transportation of property from points beyond such boundaries to destinations within the same, or for transporting property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a permit issued by the department pursuant to an order of the commission.

Subd. 8. **Permit transferable.** (a) Permits, issued under the provisions of this section may be transferred but only upon the order of the commissioner approving same after notice and hearing.

(b) The proposed seller and buyer of a permit, shall file a joint verified petition with the commissioner setting forth the legal name and address of the parties, the permit number and the description of the authority which the parties seek to sell, a verified statement of the reasons for the proposed sale, a verified statement of all outstanding claims of creditors which are attributable to the business conducted under said permit, a copy of the contract of sale and financial statement with balance sheet and income statement, if existent, of the buyer and the seller.

(c) After notice to interested parties and a hearing the commissioner shall not make an order approving and allowing the sale unless the commissioner finds that the buyer is fit and able to conduct the business authorized under said permit, that the vehicles the buyer proposes to use in conducting such business meet the safety standards of the commissioner, that the price paid for the purchase of the permit is not disproportionate to the reasonable value of the permit considering all assets and goodwill sold, that the proposed sale is in the best interest of the shipping public, and that the seller has legally engaged in the transportation of property or freight for hire on a meaningful basis as determined by the commissioner within the two-year period immediately preceding the sale as proven by accurate and complete bills of lading, company records, operation records, or other relevant evidence. For purposes of determining said two-year period, any divesting of interest or control shall be deemed the date of the sale and the commissioner shall look to the substance of the transaction rather than the form. Any agreement for the transfer or sale of a permit shall be reported and filed with the commissioner within 30 days of such agreement.

(d) If any authority to operate as a local cartage carrier, is held by a corporation, any sale, assignment, pledge or other transfer of such stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of said corporation, as exercised through its stockholders, shall be reported in the manner prescribed by the rules of the commissioner within 30 days after said sale, assignment, pledge or other transfer of stock. The commissioner shall then make a finding whether or not said stock transfer does, in fact, constitute a sale, or other transfer of the permit of said corporation to a new party or parties and, if they so find, then the continuance of the permit issued to said corporation shall only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

(e) The commissioner shall allow a bona fide transfer of a permit, ex parte without hearing where the transferee of said permit is in fact a member or members of the transferor's immediate family. For the purpose of this paragraph immediate family shall consist only of the lawful spouse, adult child or children, brother or sister of the transferor. A transfer pursuant to this paragraph shall include:

(1) transfer to a corporation the stock of which is wholly owned by the transferor or immediate family members;

(2) transfer to a partnership or partner consisting solely of the immediate family as defined in this paragraph.