

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 1358**

(SENATE AUTHORS: CARLSON)

DATE  
02/08/2023

D-PG  
731 Introduction and first reading  
Referred to Transportation  
See HF2887

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to transportation; establishing a larger cities assistance account; modifying  
1.3 allocation of certain fees and surcharges; amending Minnesota Statutes 2022,  
1.4 sections 168.33, subdivision 7; 168.54, subdivision 5; proposing coding for new  
1.5 law in Minnesota Statutes, chapter 162.

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

1.7 Section 1. **[162.146] LARGER CITIES ASSISTANCE ACCOUNT.**

1.8 Subdivision 1. **Larger cities assistance account.** A larger cities assistance account is  
1.9 created as a special revenue account and established in the state treasury. The account  
1.10 consists of money allotted, appropriated, or transferred through gift or grant to the account.  
1.11 Money in the account must be appropriated to the commissioner of transportation by law  
1.12 and apportioned among all the cities that are eligible to receive municipal state aid.

1.13 Subd. 2. **Distribution formula.** The commissioner must apportion: (1) 50 percent of  
1.14 the money so that of that amount, each city receives the percentage that its population bears  
1.15 to the total population of all cities that are eligible to receive municipal state aid; and (2)  
1.16 50 percent of the money so that of that amount, each city receives the percentage that its  
1.17 money needs, as determined by the commissioner under section 162.13, subdivision 3, bears  
1.18 to the total money needs of all cities that are eligible to receive municipal state aid.

1.19 Sec. 2. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

1.20 Subd. 7. **Filing fees and surcharge; allocations.** (a) In addition to all other statutory  
1.21 fees and taxes, ~~a filing fee of:~~

2.1 (1) a \$7 filing fee is imposed on every vehicle registration renewal, excluding pro rate  
2.2 transactions; ~~and~~

2.3 (2) a \$10 surcharge is imposed on the fee for every vehicle registration renewal, excluding  
2.4 pro rate transactions; and

2.5 (3) an \$11 filing fee is imposed on every other type of vehicle transaction, including  
2.6 motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

2.7 (b) Notwithstanding paragraph (a):

2.8 (1) a filing fee may not be charged for a document returned for a refund or for a correction  
2.9 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

2.10 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a  
2.11 vehicle.

2.12 (c) The filing fee and surcharge must be shown as a separate item on all registration  
2.13 renewal notices sent out by the commissioner.

2.14 (d) The statutory fees and taxes, and the filing fees and surcharge imposed under  
2.15 paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a  
2.16 surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than  
2.17 the cost of processing a credit card or debit card transaction, in accordance with emergency  
2.18 rules established by the commissioner of public safety. The surcharge authorized by this  
2.19 paragraph must be used to pay the cost of processing credit and debit card transactions.

2.20 (e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the  
2.21 department must be allocated as follows:

2.22 (1) of the fees collected under paragraph (a), clause (1):

2.23 (i) \$5.50 must be deposited in the vehicle services operating account; and

2.24 (ii) \$1.50 must be deposited in the driver and vehicle services technology account; and

2.25 (2) of the surcharge collected under paragraph (a), clause (2):

2.26 (i) 50 percent must be deposited in the small cities assistance account under section  
2.27 162.145; and

2.28 (ii) 50 percent must be deposited in the larger cities assistance account under section  
2.29 162.146; and

2.30 (3) of the fees collected under paragraph (a), clause ~~(2)~~ (3):

2.31 (i) \$3.50 must be deposited ~~in the general fund;~~ as follows:

- 3.1 (A) 50 percent to the small cities assistance account under section 162.145; and  
3.2 (B) 50 percent to the larger cities assistance account under section 162.146;  
3.3 (ii) \$6.00 must be deposited in the vehicle services operating account; and  
3.4 (iii) \$1.50 must be deposited in the driver and vehicle services technology account.

3.5 Sec. 3. Minnesota Statutes 2022, section 168.54, subdivision 5, is amended to read:

3.6 Subd. 5. **Proceeds to general fund.** The commissioner ~~shall~~ must collect the proceeds  
3.7 of the fee imposed under this section and deposit them ~~in the general fund pursuant to section~~  
3.8 ~~168A.31~~ as follows:

- 3.9 (1) 50 percent to the small cities assistance account under section 162.145; and  
3.10 (2) 50 percent to the larger cities assistance account under section 162.146.