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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3168

02/07/2022 Authored by Koegel
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to motor vehicles; amending requirements governing establishment and
1.3 discontinuance of special license plates; amending a fee; appropriating money;
1.4 requiring a report; amending Minnesota Statutes 2020, section 168.1293; repealing
1.5 Minnesota Statutes 2020, sections 168.1256, subdivision 4; 168.1282, subdivision
1.6 4; 168.1294, subdivision 4; 168.1295, subdivision 7; Minnesota Statutes 2021
1.7 Supplement, sections 168.1284, subdivision 4; 168.1285, subdivision 4; 168.1286,
1.8 subdivision 5.

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

1.10 Section 1. Minnesota Statutes 2020, section 168.1293, is amended to read:

1.11 168.1293 CERTAIN SPECIAL PLATES; AUTHORIZATION,
1.12 DISCONTINUANCE.

1.13 Subdivision 1. Definition. (a) For purposes of this section, the following terms have the
1.14 meanings given them:

1.15 (b) "New special plate" or "proposed special plate" means a special plate that is not
1.16 authorized under this chapter and for which legislation authorizing the plate, including but
1.17 not limited to a bill or amendment, is introduced or presented to the legislature; and is not
1.18 previously established by the commissioner under this section.

1.19 (c) Managed special plate" means a special plate (i) (1) authorized under
1.20 section 168.12, subdivisions 2b and 2e; 168.1235; or 168.129; or (ii) (2) authorized in law
1.21 on or after August 1, 2010; or (3) established by the commissioner under this section.

1.22 (d) "Requester" means a person or legal entity, however organized, that: (1) submits an
1.23 application to the commissioner to establish a new special plate; or (2) is otherwise
1.24 determined by the commissioner to be the current primary sponsor for the special plate.

2.1 Subd. 1a. **Establishment of special plate; authority.** The commissioner may ~~only~~  
 2.2 establish a special plate as provided in this section and must establish special plates as  
 2.3 authorized under this chapter. ~~This requirement does not apply to alternative or additional~~  
 2.4 ~~designs for a special plate.~~

2.5 Subd. 2. ~~Submissions to commissioner~~ **Establishment of special plate; application.** (a)  
 2.6 A person, legal entity, or other requester, however organized, that ~~plans to seek legislation~~  
 2.7 ~~establishing a new special plate, or is a proponent of~~ proposes a new special plate, ~~shall~~  
 2.8 must submit the following ~~information and fee~~ to the commissioner:

2.9 (1) ~~The requester shall submit a request~~ an application for the new special plate being  
 2.10 sought, ~~describing that:~~

2.11 (i) describes the special plate in general terms;

2.12 (ii) identifies the purpose of the plate, ~~and the proposed fee or;~~

2.13 (iii) subject to the requirements under subdivision 2b, proposes: (A) a minimum  
 2.14 contribution structure to be required for the plate, if any; and (B) recipients and all uses of  
 2.15 contribution funds;

2.16 (iv) identifies eligibility requirements to obtain the plate, if any; and

2.17 (v) provides any other information required by the commissioner;

2.18 (2) ~~The requester shall submit~~ the results of a scientific sample survey ~~of Minnesota~~  
 2.19 ~~motor vehicle owners~~ or a verifiable group or organization membership survey that indicates  
 2.20 that at least ~~10,000~~ ..... eligible motor vehicle owners intend or are very likely to purchase  
 2.21 obtain the proposed plate ~~with the proposed fee or~~ taking into account any specified minimum  
 2.22 contribution. ~~The requester's plan to undertake the survey must be reported to the~~  
 2.23 ~~commissioner before the survey is undertaken. The survey must be performed independently~~  
 2.24 ~~of the requester by another person or legal entity, however organized, that conducts similar~~  
 2.25 ~~sample surveys in the normal course of business.;~~

2.26 (3) ~~The requester shall submit~~ an application fee of \$20,000, ~~to cover the cost of reviewing~~  
 2.27 ~~the application for a new plate and developing the new special plate if authorized by law~~  
 2.28 \$..... State funds may not be used to pay the application fee. ~~This requirement does not~~  
 2.29 ~~apply if legislation or a bill introduced to the legislature proposing the new special plate~~  
 2.30 ~~contains a mechanism by which all costs incurred by the commissioner for development~~  
 2.31 ~~and implementation of the plate are covered, provided that the application fee subsequently~~  
 2.32 ~~does apply if such a mechanism is not enacted in the law authorizing the new special plate.;~~

3.1 (4) ~~The requester shall submit a marketing strategy that contains (i) short-term and~~  
 3.2 ~~long-term~~ marketing plans for the requested plate; and (ii)

3.3 (5) a financial analysis showing the anticipated revenues and the planned expenditures  
 3.4 of any fee or contribution derived from the requested proposed plate.

3.5 (b) The requester shall must submit the information required under paragraph (a) ~~to~~ in  
 3.6 the manner specified by the commissioner at least 120 days before the convening of the  
 3.7 next regular legislative session at which the requester will submit the proposal.

3.8 **Subd. 2a. Information for legislature.** ~~(a) Within 15 days of the introduction of a bill~~  
 3.9 ~~proposing a new special plate, the commissioner shall submit a briefing to the chairs and~~  
 3.10 ~~ranking minority members of the house of representatives and senate committees to which~~  
 3.11 ~~the bill was referred. At a minimum, the briefing must:~~

3.12 (1) ~~summarize the requirements for a special plate under this section; and~~

3.13 (2) ~~identify which of the requirements have been met for the proposed special plate.~~

3.14 (b) ~~If a proposed special plate is a topic of discussion at a legislative committee hearing,~~  
 3.15 ~~the commissioner shall make every reasonable effort to provide testimony. The testimony~~  
 3.16 ~~must include the information required in the briefing under paragraph (a).~~

3.17 (c) ~~Notwithstanding section 3.195, the commissioner may submit the briefing under~~  
 3.18 ~~paragraph (a) by submitting an electronic version rather than a printed version.~~

3.19 **Subd. 2b. Establishment of special plate; standards.** The commissioner must establish  
 3.20 standards for approval of a proposed new special plate. The standards must include:

3.21 (1) a prohibition on a plate design or inscription containing material or concepts that  
 3.22 are:

3.23 (i) of a socially or politically controversial nature, as determined by the commissioner;

3.24 (ii) of an obscene, indecent, or immoral nature;

3.25 (iii) of a nature that would offend public morals or decency; or

3.26 (iv) direct commercial advertising; and

3.27 (2) requirements that govern permissible uses of any contribution funds.

3.28 **Subd. 2c. Establishment of special plate; contribution structure.** A required  
 3.29 contribution for a special plate established under this section:

3.30 (1) must not exceed \$50 annually;

4.1 (2) may set an amount that is onetime at initial application or is annual; and

4.2 (3) may set different amounts for initial application and subsequent annual contribution.

4.3 Subd. 3. **Establishment of special plate; design; redesign.** (a) If the commissioner  
 4.4 approves a proposed special plate sought by the requester is approved by law, the requester  
 4.5 ~~shall~~ must submit ~~the~~ any proposed design, design concepts, and inscription for the plate  
 4.6 to the commissioner as soon as practicable, but not later than 120 days after the ~~effective~~  
 4.7 ~~date of the law authorizing issuance of the plate approval.~~

4.8 (b) The commissioner is responsible for selecting the final design for the special plate.

4.9 ~~(b)~~ (c) The requester that originally requested a new special plate ~~subsequently~~ that was  
 4.10 approved by law may not submit a new design proposal for the plate within the five years  
 4.11 following the date of first issuance of the plate unless the inventory of those plates has been  
 4.12 exhausted. The requester may deplete the remaining inventory of the plates by reimbursing  
 4.13 the commissioner for the cost of the plates.

4.14 Subd. 4. **Refund of fee.** ~~If the special plate requested is not authorized in the legislative~~  
 4.15 ~~session at which authorization was sought, the commissioner shall, if applicable, refund~~  
 4.16 ~~\$17,500 of the application fee to the requester.~~

4.17 Subd. 4a. **Plates issuance.** (a) The commissioner must issue the appropriate special  
 4.18 plates or a single motorcycle plate established under this section to an applicant who:

4.19 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup  
 4.20 truck, motorcycle, or recreational vehicle;

4.21 (2) meets any other eligibility requirements established for the special plate;

4.22 (3) pays a fee in the amount specified under section 168.12, subdivision 5, for each set  
 4.23 of plates, along with any other fees required by this chapter;

4.24 (4) contributes a minimum amount as specified for the appropriate special plate, if any;

4.25 (5) pays the registration tax as required under section 168.013; and

4.26 (6) complies with this chapter and rules governing registration of motor vehicles and  
 4.27 licensing of drivers.

4.28 (b) A special plate issued under this section may not be personalized under section  
 4.29 168.12, subdivision 2a.

5.1 Subd. 4b. Plates transfer. On application to the commissioner and payment of a transfer  
 5.2 fee of \$5, special plates issued under this section may be transferred to another motor vehicle  
 5.3 if the subsequent vehicle is:

5.4 (1) qualified under subdivision 4a, paragraph (a), clause (1), to bear the special plates;  
 5.5 and

5.6 (2) registered to the same individual to whom the special plates were originally issued.

5.7 **Subd. 5. Discontinuance of plate.** (a) The commissioner ~~shall~~ must discontinue the  
 5.8 issuance or renewal of any ~~proximate~~ managed special plate if (1) fewer than ~~1,000~~ .....  
 5.9 sets of those plates are currently registered at the end of the first six years during which the  
 5.10 plates are available, or (2) fewer than ~~1,000~~ ..... sets of those plates are currently registered  
 5.11 at the end of any subsequent two-year period following the first six years of availability.  
 5.12 Sets under this paragraph are calculated as the sum among all alternative designs or variants.

5.13 (b) The commissioner ~~shall~~ must discontinue the issuance or renewal of any ~~proximate~~  
 5.14 managed special plate, and distribution of any contributions resulting from that plate, if the  
 5.15 commissioner determines that (1) the fund or ~~requester~~ entity receiving the contributions  
 5.16 no longer exists, (2) ~~the requester~~ a contribution recipient has stopped providing services  
 5.17 that are authorized to be funded from the contribution proceeds, (3) the requester has  
 5.18 requested discontinuance, or (4) contributions have been used in violation of subdivision  
 5.19 6.

5.20 (c) Nothing in this subdivision applies to plates issued under section 168.123, 168.124,  
 5.21 168.125, or 168.1255.

5.22 (d) Upon commencing discontinuance of a ~~proximate~~ managed special plate under this  
 5.23 subdivision, the commissioner (1) ~~shall~~ must not issue the plate, including as a duplicate;  
 5.24 and (2) ~~shall~~ must allow retention of any existing plate for the regular period. For purposes  
 5.25 of this paragraph, "regular period" may be, as appropriate, the period specified under section  
 5.26 168.12, subdivision 1; the time until issuance of a duplicate plate for that vehicle; or as  
 5.27 otherwise provided by law.

5.28 **Subd. 6. Use of contributions.** Contributions made as a condition of obtaining a  
 5.29 ~~proximate~~ managed special plate, and interest earned on the contributions, may not be spent  
 5.30 for commercial or for-profit purposes.

5.31 **Subd. 7. Deposit of fee; accounts; appropriation.** (a) The commissioner ~~shall~~ must  
 5.32 deposit the application fee under subdivision 2, paragraph (a), clause (3), in the vehicle  
 5.33 services operating account of the special revenue fund under section 299A.705. ~~An amount~~

6.1 ~~sufficient to pay the department's cost in implementing and administering this section,~~  
 6.2 ~~including payment of refunds under subdivision 4, is appropriated to the commissioner.~~

6.3 (b) For each special plate established under this section that carries a minimum  
 6.4 contribution, the commissioner must establish a corresponding special plate contribution  
 6.5 account in the special revenue fund, and must deposit collected contributions under  
 6.6 subdivision 4a, paragraph (a), clause (4), into the applicable contribution account. Money  
 6.7 in each account is annually appropriated to the commissioner. Each appropriation is first  
 6.8 for the annual cost of establishing the special plate and administering the account funds,  
 6.9 and the remaining funds are for distribution as arranged for that special plate.

6.10 Subd. 8. **Legislative report.** (a) By November 1 annually, the commissioner must submit  
 6.11 a report on special plates to the chairs and ranking minority members of the legislative  
 6.12 committees with jurisdiction over transportation policy and finance. At a minimum, the  
 6.13 report must include:

6.14 (1) a summary of available special plates, including the number of issuances in the prior  
 6.15 fiscal year and the total number currently issued;

6.16 (2) a copy of the approval standards established under subdivision 2b;

6.17 (3) a summary of new special plate applications, including the number of approved and  
 6.18 denied special plates and reasons for each application denial;

6.19 (4) notice of any discontinued plates and plates anticipated for possible discontinuance;

6.20 (5) a fiscal review, including identification of:

6.21 (i) the total contributions received for each applicable special plate, for each of the prior  
 6.22 three fiscal years; and

6.23 (ii) the amounts of appropriations under subdivision 7 retained by the commissioner for  
 6.24 administrative costs; and

6.25 (6) recommendations for any legislative changes.

6.26 (b) This subdivision expires June 30, 2031.

6.27 **EFFECTIVE DATE.** This section is effective January 1, 2023.

6.28 Sec. 2. **REPEALER.**

6.29 (a) Minnesota Statutes 2020, sections 168.1256, subdivision 4; 168.1282, subdivision  
 6.30 4; 168.1294, subdivision 4; and 168.1295, subdivision 7, are repealed.

- 7.1 (b) Minnesota Statutes 2021 Supplement, sections 168.1284, subdivision 4; 168.1285,  
7.2 subdivision 4; and 168.1286, subdivision 5, are repealed.
- 7.3 **EFFECTIVE DATE.** This section is effective January 1, 2023.

**168.1256 RETIRED LAW ENFORCEMENT SPECIAL PLATES.**

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1282 "START SEEING MOTORCYCLES" SPECIAL PLATES.**

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1284 MINNESOTA 100 CLUB PLATES.**

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1285 MINNESOTA AGRICULTURE PLATES.**

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1286 HONORARY CONSUL PLATES.**

Subd. 5. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1294 LAW ENFORCEMENT MEMORIAL PLATES.**

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**168.1295 STATE PARKS AND TRAILS PLATES.**

Subd. 7. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.