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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3997

03/03/2022

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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 driver and vehicle services; increasing filing fees for new driver's license

1.3 applications; establishing full-service providers; amending fee distributions;

1.4 appropriating money; amending Minnesota Statutes 2020, sections 168.002, by

1.5 adding a subdivision; 168.33, subdivision 7; 171.01, by adding a subdivision;

1.6 171.06, subdivision 2; 171.061, subdivision 4; 299A.705, by adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2020, section 168.002, is amended by adding a subdivision

1.9 to read:

1.10 Subd. 12a. Full-service provider. "Full-service provider" means a person who is

1.11 appointed by the commissioner as both a deputy registrar under this chapter and a driver's

1.12 license agent under chapter 171.

1.13 EFFECTIVE DATE. This section is effective August 1, 2022.

1.14 Sec. 2. Minnesota Statutes 2020, section 168.33, subdivision 7, is amended to read:

1.15 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a

1.16 filing fee of:

1.17 (1) \$7 is imposed on every vehicle registration renewal, excluding pro rate transactions;

1.18 and

1.19 (2) \$11 is imposed on every other type of vehicle transaction, including motor carrier

1.20 fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

1.21 (b) Notwithstanding paragraph (a):

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

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

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

2.7 (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may
2.8 be paid by credit card or debit card. The deputy registrar may collect a surcharge on the
2.9 statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or
2.10 debit card transaction, in accordance with emergency rules established by the commissioner
2.11 of public safety. The surcharge must be used to pay the cost of processing credit and debit
2.12 card transactions.

2.13 (e) The fees collected under this subdivision by the department for in-person transactions
2.14 must be allocated as follows:

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

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

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

2.18 (2) of the fees collected under paragraph (a), clause (2):

2.19 (i) \$3.50 must be deposited in the general fund;

2.20 (ii) \$6.00 must be deposited in the vehicle services operating account; and

2.21 (iii) \$1.50 must be deposited in the driver and vehicle services technology account.

2.22 (f) The fees collected under this subdivision by the department for mail or online
2.23 transactions must be allocated as follows:

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

2.25 (i) \$2.75 must be deposited in the vehicle services operating account;

2.26 (ii) \$0.75 must be deposited in the driver and vehicle services technology account; and

2.27 (iii) \$3.50 must be deposited in the full-service provider account; and

2.28 (2) of the fees collected under paragraph (a), clause (2):

2.29 (i) \$3.50 must be deposited in the general fund;

2.30 (ii) \$3.00 must be deposited in the vehicle services operating account;

3.1 (iii) \$0.75 must be deposited in the driver and vehicle services technology account; and

3.2 (iv) \$3.75 must be deposited in the full-service provider account.

3.3 **EFFECTIVE DATE.** This section is effective August 1, 2022.

3.4 Sec. 3. Minnesota Statutes 2020, section 171.01, is amended by adding a subdivision to
3.5 read:

3.6 Subd. 33a. **Full-service provider.** "Full-service provider" means a person who is
3.7 appointed by the commissioner as both a driver's license agent under this chapter and deputy
3.8 registrar under chapter 168.

3.9 **EFFECTIVE DATE.** This section is effective August 1, 2022.

3.10 Sec. 4. Minnesota Statutes 2020, section 171.06, subdivision 2, is amended to read:

3.11 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

3.12 REAL ID Compliant or				
3.13 Noncompliant Classified				
3.14 Driver's License	D-\$21.00	C-\$25.00	B-\$32.00	A-\$40.00
3.15 REAL ID Compliant or				
3.16 Noncompliant Classified				
3.17 Under-21 D.L.	D-\$21.00	C-\$25.00	B-\$32.00	A-\$20.00
3.18 Enhanced Driver's License	D-\$36.00	C-\$40.00	B-\$47.00	A-\$55.00
3.19 REAL ID Compliant or				
3.20 Noncompliant Instruction				
3.21 Permit				\$5.25
3.22 Enhanced Instruction				
3.23 Permit				\$20.25
3.24 Commercial Learner's				
3.25 Permit				\$2.50
3.26 REAL ID Compliant or				
3.27 Noncompliant Provisional				
3.28 License				\$8.25
3.29 Enhanced Provisional				
3.30 License				\$23.25
3.31 Duplicate REAL ID				
3.32 Compliant or Noncompliant				
3.33 License or duplicate REAL				
3.34 ID Compliant or				
3.35 Noncompliant				
3.36 identification card				\$6.75
3.37 Enhanced Duplicate				
3.38 License or enhanced				
3.39 duplicate identification card				\$21.75

4.1	REAL ID Compliant or	
4.2	Noncompliant Minnesota	
4.3	identification card or REAL	
4.4	ID Compliant or	
4.5	Noncompliant Under-21	
4.6	Minnesota identification	
4.7	card, other than duplicate,	
4.8	except as otherwise	
4.9	provided in section 171.07,	
4.10	subdivisions 3 and 3a	\$11.25
4.11	Enhanced Minnesota	
4.12	identification card	\$26.25

4.13 From August 1, 2019, to June 30, 2022, the fee is increased by \$0.75 for REAL ID compliant
 4.14 or noncompliant classified driver's licenses, REAL ID compliant or noncompliant classified
 4.15 under-21 driver's licenses, and enhanced driver's licenses.

4.16 (b) In addition to each fee required in paragraph (a), the commissioner ~~shall~~ must collect
 4.17 a surcharge of \$2.25. Surcharges collected under this paragraph must be credited to the
 4.18 driver and vehicle services technology account under section 299A.705.

4.19 (c) Notwithstanding paragraph (a), an individual who holds a provisional license and
 4.20 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
 4.21 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related
 4.22 moving violations, and (3) convictions for moving violations that are not crash related, ~~shall~~
 4.23 must have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving
 4.24 violation" has the meaning given it in section 171.04, subdivision 1.

4.25 (d) In addition to the driver's license fee required under paragraph (a), the commissioner
 4.26 ~~shall~~ must collect an additional \$4 processing fee from each new applicant or individual
 4.27 renewing a license with a school bus endorsement to cover the costs for processing an
 4.28 applicant's initial and biennial physical examination certificate. The department ~~shall~~ must
 4.29 not charge these applicants any other fee to receive or renew the endorsement.

4.30 (e) In addition to the fee required under paragraph (a), a driver's license agent may charge
 4.31 and retain a filing fee as provided under section 171.061, subdivision 4.

4.32 (f) In addition to the fee required under paragraph (a), the commissioner ~~shall~~ must
 4.33 charge a filing fee at the same amount as a driver's license agent under section 171.061,
 4.34 subdivision 4. Revenue collected under this paragraph for in-person transactions must be
 4.35 deposited in the driver services operating account under section 299A.705. Revenue collected
 4.36 under this paragraph for mail or online transactions must be allocated as follows:

4.37 (1) 50 percent must be deposited in the driver services operating account under section
 4.38 299A.705, subdivision 2; and

5.1 (2) 50 percent must be deposited in the full-service provider account under section
 5.2 299A.705, subdivision 3a.

5.3 (g) An application for a Minnesota identification card, instruction permit, provisional
 5.4 license, or driver's license, including an application for renewal, must contain a provision
 5.5 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes
 5.6 of public information and education on anatomical gifts under section 171.075.

5.7 **EFFECTIVE DATE.** This section is effective August 1, 2022.

5.8 Sec. 5. Minnesota Statutes 2020, section 171.061, subdivision 4, is amended to read:

5.9 Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee of \$8 for each
 5.10 application; as follows:

5.11	<u>(1) New application for noncompliant driver's license</u>	<u>\$ 11.00</u>
5.12	<u>(2) New application for REAL ID compliant driver's license or</u>	<u>\$ 16.00</u>
5.13	<u>enhanced driver's license</u>	
5.14	<u>(3) Renewal application for REAL ID compliant driver's license,</u>	<u>\$ 11.00</u>
5.15	<u>noncompliant driver's license, or enhanced driver's license</u>	

5.16 Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in
 5.17 receiving, accepting, or forwarding to the department the applications and fees required
 5.18 under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions
 5.19 3 and 3a.

5.20 (b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by
 5.21 credit card or debit card. The driver's license agent may collect a convenience fee on the
 5.22 statutory fees and filing fees not greater than the cost of processing a credit card or debit
 5.23 card transaction. The convenience fee must be used to pay the cost of processing credit card
 5.24 and debit card transactions. The commissioner ~~shall~~ must adopt rules to administer this
 5.25 paragraph using the exempt procedures of section 14.386, except that section 14.386,
 5.26 paragraph (b), does not apply.

5.27 (c) The department ~~shall~~ must maintain the photo identification equipment for all agents
 5.28 appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance
 5.29 of an existing agent, and if a new agent is appointed in an existing office pursuant to
 5.30 Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part
 5.31 7404.0400, the department ~~shall~~ must provide and maintain photo identification equipment
 5.32 without additional cost to a newly appointed agent in that office if the office was provided
 5.33 the equipment by the department before January 1, 2000. All photo identification equipment
 5.34 must be compatible with standards established by the department.

6.1 (d) A filing fee retained by the agent employed by a county board must be paid into the
6.2 county treasury and credited to the general revenue fund of the county. An agent who is not
6.3 an employee of the county ~~shall~~ must retain the filing fee in lieu of county employment or
6.4 salary and is considered an independent contractor for pension purposes, coverage under
6.5 the Minnesota State Retirement System, or membership in the Public Employees Retirement
6.6 Association.

6.7 (e) Before the end of the first working day following the final day of the reporting period
6.8 established by the department, the agent must forward to the department all applications
6.9 and fees collected during the reporting period except as provided in paragraph (d).

6.10 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to applications
6.11 made on or after that date.

6.12 Sec. 6. Minnesota Statutes 2020, section 299A.705, is amended by adding a subdivision
6.13 to read:

6.14 Subd. 3a. **Full-service provider account.** (a) The full-service provider account is created
6.15 in the special revenue fund, consisting of fees described in sections 168.33, subdivision 7,
6.16 and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise
6.17 provided to the account.

6.18 (b) Money in the account is annually appropriated to the commissioner of public safety
6.19 to distribute to full-service providers, as defined in section 168.002, subdivision 12a. At
6.20 least quarterly, the commissioner must distribute the money in the account to each full-service
6.21 provider that was in operation during that quarter based proportionally on the number of
6.22 transactions completed by each full-service provider.

6.23 **EFFECTIVE DATE.** This section is effective August 1, 2022.