168.187 INTERSTATE REGISTRATION AND RECIPROCITY.

Subdivision 1. **Declaration of policy.** It is the policy of this state to promote and encourage the fullest possible use of its highway system by authorizing the making of agreements, arrangements, and declarations with other jurisdictions, for reciprocal recognition of vehicle registrations and/or for proportional registration, with respect to vehicles registered in this state and such other jurisdictions, thus contributing to the economic and social development and growth of this state. It is the policy of this state to agree with other states that no vehicle shall pay more than the equivalent of one full registration fee per annum.

Subd. 2. **Definitions.** (a) The words, terms and phrases defined in section 168.002, when used in this section, shall have the same meanings herein as is ascribed to them in section 168.002, unless the context otherwise requires, or unless a different definition is given in this section.

(b) The words and phrases hereafter defined in this section shall have the meanings respectively ascribed to them when used in this section, except when the context otherwise requires.

Subd. 3. **State.** "State" means a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a foreign country and a state or province of a foreign country.

Subd. 4. **Proratable vehicle.** "Proratable vehicle" means any vehicle which is operated in more than one state and used for the transportation of persons for hire, or designed, used or maintained primarily for the transportation of property.

Subd. 5. **Fleet.** "Fleet" means one or more proratable vehicles designated by the vehicle owner for proportional registration under this section or pursuant to an agreement or arrangement described in subdivision 24.

Subd. 6. MS 1974 [Repealed, 1976 c 149 s 63]

Subd. 7. **Authority for registration agreements, arrangements or declarations.** (a) The commissioner of public safety may enter into any agreement or arrangement with the duly authorized representatives of other states or make any independent declaration, granting to vehicles or to owners of vehicles which are properly registered or licensed in another state, benefits, privileges, and exemptions from the payment, wholly, or partially, of any registration taxes, fees, or other charges imposed upon such vehicles or owners with respect to the operation or ownership of such vehicles under the laws of this state, upon such conditions as are specified therein, provided the terms or conditions of such agreement, arrangement, or declaration are not inconsistent with any law of this state.

(b) Any such agreement or arrangement shall be made in writing and shall provide that vehicles properly registered or licensed in this state, when operated upon highways of the other state, shall receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to vehicles properly registered or licensed in such state when operated in this state. Any such declaration shall contemplate and provide for mutual benefits, reciprocal privileges or equitable treatment of the owners of vehicles registered in this and the other state. Each such agreement, arrangement, or declaration shall, in the judgment of the commissioner of public safety, be in the best interest of this state and the citizens thereof and shall be fair and equitable with respect to the benefits which the agreement brings to the economy of this state.

Subd. 8. **Base state reciprocity.** (a) Any agreement, arrangement, or declaration made under the authority of this section may contain provisions authorizing the registration or licensing in another state of vehicles based in the other state, which vehicles otherwise would be required to be registered or licensed in this state, except that those provisions shall not apply to passenger cars.

(b) For the purpose of this section, the owner of a vehicle shall declare the state in which it is based, but the commissioner of public safety shall make the final determination of the state in which the vehicle is based for the purpose of determining liability for registration and other fees and penalties due this state. The commissioner of public safety is governed, to the extent possible, by the criteria specified in this section, and agreement with the administrator of any other interested state.

(c) Any agreement, arrangement, or declaration made under this section may grant exemptions, benefits, and privileges for vehicles in accordance with its terms.

Subd. 9. **Required provisions.** (a) Every agreement, arrangement, and declaration, and amendment thereto and cancellation thereof, shall be in writing and shall be filed in the office of the commissioner of public safety. A copy of each agreement, arrangement or declaration, and of each amendment thereto and cancellation thereof, shall be filed in the office of the commissioner of public safety within ten days after execution or the effective date of the instrument, whichever is later. The commissioner of public safety shall provide copies for public distribution upon request and the payment of a reasonable charge.

(b) Every agreement, arrangement and declaration made under authority of this section shall contain a provision authorizing the commissioner of public safety to cancel and revoke the agreement with respect to this state upon 30 days' notice to the other party or parties thereto.

(c) All agreements, arrangements, and declarations made under authority of this section shall contain a provision specifying that no registration, permit privilege or exemption issued or accruing thereunder, shall excuse the operator or owner of any vehicle from compliance with the laws of this state, except those requiring registration.

Subd. 10. **Fees for proportional registration.** (a) "Total fleet miles" means the total number of miles operated in all states during the preceding year by the motor vehicles in a fleet during such year.

(b) "In-state miles" means the total number of miles operated in this state during the preceding year by the motor vehicles in a fleet during such year.

(c) The registration fees for proratable vehicles of a fleet based in another state shall be determined as follows:

(1) Divide in-state miles by total fleet miles.

(2) Determine the total amount which would be required under the laws of this state for full registration of each and every vehicle in the fleet, at the regular annual or applicable fees, for the unexpired portion of the registration year.

(3) Multiply the sum obtained under clause (2) by the quotient obtained under clause (1).

(d) The registration fees for proratable vehicles of a fleet based in this state shall be determined as follows:

(1) Divide in-state miles plus all other fleet miles not subjected to charges in other states nor declared for other prorate agreement states by total fleet miles.

(2) Determine the total amount which would be required under the laws of this state for full registration of each and every vehicle in the fleet, at the regular annual or applicable fees for the unexpired portion of the registration year.

(3) Multiply the sum obtained under clause (2) by the quotient under clause (1).

(e) The provisions of this section shall constitute complete authority for the registration of the proratable vehicles of a fleet upon a proportional registration basis without reference to or application of any other statutes of this state except as in this section expressly provided.

Subd. 11. **Application for proportional registration.** (a) Any owner of one or more fleets may file an application for proportional registration of the vehicles of one or more of such fleets with the commissioner of public safety, in lieu of registration of such vehicles under other sections of this chapter. The application shall be in such form and shall contain such information as the commissioner shall require.

(b) Applications for proportional registration shall be filed annually at such time or times as the commissioner establishes by rule. Every application for proportional registration shall at the time and in the manner required by the commissioner be supported by the payment of the registration fees in the amount determined in the manner provided in subdivision 10.

Subd. 12. **Registration of proratable vehicles.** (a) The commissioner of public safety shall register proratable vehicles of a fleet upon application and payment of registration fees as provided in subdivision 11. Payment of an additional fee for each vehicle so registered may be required by the commissioner in an amount not to exceed $5 per motor powered vehicle, for issuance of a plate, sticker, or other suitable identification for each vehicle. A registration card shall be issued for each vehicle registered, which shall appropriately identify the vehicle for which it is issued. Such registration card shall be carried in or upon the vehicle for which it has been issued, at all times, except that the registration cards for all vehicles in a combination of vehicles may be carried in or upon the vehicle supplying the motive power.

(b) Fleet vehicles registered as provided in paragraph (a) shall be deemed fully registered in this state for any type of movement or operation, except that when a state grant of authority is required for any movement or operation, no such vehicle shall be operated in this state unless the owner or operator thereof has been granted authority or rights therefore by the state and unless said vehicle is being operated in conformity with such authority or rights. No registration under this section shall excuse the owner or operator of any vehicle from compliance with the laws of this state, except those requiring registration and licensing.

Subd. 13. **No proportional registration in only one state.** The right of proportional registration of fleet vehicles authorized by this section, or by any agreement, arrangement, or declaration made under the authority of this section, shall be subject to the condition that each vehicle proportionally registered shall be proportionally or otherwise properly registered in at least one other state during the period for which it is proportionally registered in this state.

Subd. 14. **Registration of additional fleet vehicles.** Vehicles acquired by the owner after the commencement of the registration year and added to a proportionally registered fleet shall be proportionally registered by applying the mileage percentage used in the original application for such fleet for such registration period to the regular registration fees due with respect to such vehicles for the remainder of the registration year.

Subd. 15. **Withdrawal of fleet vehicle; credits, accounting.** If any vehicle is withdrawn from a proportionally registered fleet during the period for which it is registered, the owner of such fleet shall so notify the commissioner of public safety. The commissioner of public safety may require the owner to surrender cab cards and such other identification devices with respect to such vehicle. If a vehicle is permanently withdrawn from a proportionally registered fleet because it has been destroyed, sold or otherwise completely removed from the service of the owner, the unused portion of the fees paid with respect to such vehicle shall be applied against liability of such owner for subsequent additions to such fleet during such registration year or for additional fees upon audit. If at the end of such registration year there remains an

unused portion of fees paid with respect to such permanently withdrawn vehicles, such unused fees shall be applied against registration fees for the registration year immediately following the year during which such vehicles were permanently withdrawn. The unused portion of fees of a vehicle permanently withdrawn from a fleet shall be a sum equal to the amount paid with respect to such vehicle when it was first proportionally registered in such registration year, reduced by 1/12 of the total annual proportional registration fee applicable to such vehicle for each calendar month of the registration year including the month the notice of withdrawal is received by the commissioner of public safety, except that no unused portion of fees of less than $5 shall be considered or applied. If an unused portion of fees cannot be applied against registration fees for the registration year immediately following, an application for refund of the unused portion may be made to the commissioner, who shall make such rules as may be required for payment of such refund.

Subd. 16. **New fleets.** The initial application for proportional registration of a fleet shall state the mileage data with respect to such fleet for the preceding year in this and other states. If no operations were conducted with such fleet during the preceding year, the application shall contain a full statement of the proposed method of operation and estimates of annual mileage in this and other states. The commissioner of public safety shall determine the in-state and total fleet miles to be used in computing the proportional registration fee for the fleet. The commissioner of public safety may adjust the estimate in the application if the commissioner is not satisfied with its correctness.

Subd. 17. **Trip permit.** Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours. The fee for the trip permit is calculated as one-twelfth of the amount determined under section 168.013, subdivision 1e, rounded to the nearest whole dollar. For the purposes of this subdivision, "on an occasional basis" means no more than one permit per vehicle within a 30-day period, which begins the day a permit is effective.

Subd. 18. **Refusal of proportional registration.** The commissioner of public safety may refuse proportional registration of vehicles based in another state on finding that such other state does not grant similar registration privileges to fleet vehicles based in this state and that such refusal is in the best interest of this state.

Subd. 19. **Preservation of records; audit.** Any owner whose application for proportional registration has been accepted shall preserve the records on which it is based for a period of four years following the date of its filing. Each acceptance shall be conditioned upon agreement of the owner to make such records available to the commissioner of public safety, at the commissioner's request, for audit as to accuracy of computations and payments and assessments of deficiencies or allowances for credit. If any owner fails to make records available to the commissioner of public safety upon request or fails to maintain records from which the owner's true liability may be determined, the commissioner may, 30 days after a written demand for availability of records or notification of insufficient records, impose an arbitrary assessment of liability based on the commissioner's estimate of the true liability of such owner as determined from information furnished by the owner, information gathered by the commissioner at the commissioner's own instance, information available to the commissioner concerning operations by similar owners and such other pertinent information as may be available to the commissioner.

Subd. 20. **Joint or reciprocal audits.** The commissioner of public safety may make arrangements with the commissioner of transportation and with agencies of other states administering motor vehicle registration laws for joint or reciprocal audits of any owner.

Subd. 21. **Assessment or claim upon audit.** Upon audit, the commissioner of public safety shall assess for any deficiencies found to be due. No assessment for deficiency or claim for credit may be made for any

period for which records are no longer required. Any sums found to be due and owing upon audit shall bear annual interest of six percent from the date when they should have been paid until the date of actual payment. If in the judgment of the commissioner of public safety the deficiencies are the result of bad faith or an attempt to evade payment under this section, a penalty of 25 percent shall be added to the deficiency.

Subd. 22. **Relation to other state laws.** The provisions of this section shall constitute complete authority for the registration of fleet vehicles upon a proportional registration basis without reference to or application of any other statutes of this state except as in this section expressly provided.

Subd. 23. **Proportional registration not exclusive.** Nothing contained in this section relating to proportional registration of fleet vehicles shall be construed as requiring any vehicle to be proportionally registered; if it is otherwise registered in this state for the operation in which it is engaged including, but not by way of limitation, regular registration, temporary registration, or trip permit or registration.

Subd. 24. **Proportional registration; administrative agreement or arrangement.** The commissioner of public safety may enter into agreements or arrangements with other states on behalf of this state for proportional registration of proratable vehicles in the manner provided in this section for the purpose of facilitating the administration thereof. In addition, the commissioner may make arrangements or agreements with other states for the exchange of information for audit and enforcement activities in connection with such proportional registration. The registration of fleet vehicles under this section shall be subject to the rights, terms and conditions granted or contained in any applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 25. **Appeal procedure.** Any fleet owner operating under license and fee procedures of this section, upon disagreement with the commissioner of public safety in the commissioner's administration of this section, may petition in writing to the commissioner stating clearly the rationale for disagreement with any procedure or decision. The commissioner shall rule on the reconsideration petition after a hearing held as a contested case pursuant to chapter 14.

Subd. 26. **Delinquent filing or payment.** If a fleet owner or owner-operator licensed under this section and chapter 168D is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing for more than 30 days, the fleet owner or owner-operator, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 27. **Prohibited operation.** (a) The commissioner of public safety shall refuse to issue a vehicle registration, license plate, or permit to a vehicle licensed under this section if the vehicle is assigned to a commercial motor carrier who has been prohibited from operating in interstate commerce by a federal agency with authority to do so under federal law.

(b) The commissioner of public safety may revoke the registration of a vehicle licensed under this section if the vehicle is assigned to a commercial motor carrier who has been prohibited from operating in interstate commerce by a federal agency with authority to do so under federal law.

(c) If the prohibition by the federal agency is rescinded, the commissioner of public safety may reinstate a vehicle registration under this section if registration taxes and fees have been paid.

History: *1971 c 457 s 1; 1973 c 582 s 3; 1974 c 522 s 1; 1976 c 149 s 35-43; 1980 c 614 s 123; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444; 1987 c 383 s 2; 1989 c 195 s 1; 1992 c 581 s 9,10; 1993 c 13 art 1 s 29; 1993 c 281 s 4; 1997 c 230 s 1; 1998 c 299 s 30; 2000 c 426 s 10; 2002 c 371 art 2 s 20; 2004 c 295*

art 1 s 8; 2006 c 212 art 1 s 7; 2010 c 253 s 1; 2013 c 127 s 18; 1Sp2021 c 5 art 4 s 36; 2023 c 25 s 68-74; 2025 c 20 s 157