

1.1 **Senator Dibble from the Committee on Transportation, to which was referred**

1.2 **S.F. No. 2099:** A bill for an act relating to transportation; driver and vehicle services;
1.3 establishing full-service providers; allowing full-service providers to provide copies of
1.4 certain driver and vehicle records; increasing filing fees for driver's license applications;
1.5 eliminating requirement for new Minnesota residents to take written driver's license exam;
1.6 modifying provisions regarding access to driver and vehicle services information system;
1.7 making various changes to driver and vehicle services procedures; requiring a report;
1.8 appropriating money; amending Minnesota Statutes 2022, sections 168.002, by adding a
1.9 subdivision; 168.327, subdivisions 1, 2, 3, by adding a subdivision; 168.345, subdivision
1.10 2; 169.09, subdivision 13, by adding a subdivision; 171.01, by adding a subdivision; 171.06,
1.11 by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.12,
1.12 subdivision 1a; 171.13, subdivisions 1, 1a; proposing coding for new law in Minnesota
1.13 Statutes, chapter 171; repealing Minnesota Statutes 2022, section 168.345, subdivision 1.

1.14 Reports the same back with the recommendation that the bill be amended as follows:

1.15 Delete everything after the enacting clause and insert:

1.16 "Section 1. Minnesota Statutes 2022, section 168.002, is amended by adding a subdivision
1.17 to read:

1.18 Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is
1.19 appointed by the commissioner as both a deputy registrar under this chapter and a driver's
1.20 license agent under chapter 171 who provides all driver services, excluding International
1.21 Registration Plan and International Fuel Tax Agreement transactions. The commissioner is
1.22 not a full-service provider.

1.23 Sec. 2. Minnesota Statutes 2022, section 168.327, subdivision 1, is amended to read:

1.24 Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this
1.25 section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any
1.26 driver's license record, instruction permit record, Minnesota identification card record,
1.27 vehicle registration record, vehicle title record, or accident record.

1.28 (b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records
1.29 governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of \$10
1.30 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not
1.31 certified.

1.32 (c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in
1.33 paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format
1.34 is \$1 for each page of the historical record.

1.35 (d) ~~Fees~~ Of the fee collected by the commissioner under paragraph (b) for driver's license,
1.36 instruction permit, and Minnesota identification card records, ~~must be paid into the state~~

2.1 ~~treasury with 50 cents of each fee credited to~~ must be deposited in the general fund, and
 2.2 ~~the remainder of the fees collected must be credited to~~ must be deposited in the driver and
 2.3 ~~vehicle services operating account in the special revenue fund~~ under section 299A.705. Of
 2.4 the fee collected by a full-service provider under paragraph (b) for driver's license, instruction
 2.5 permit, and Minnesota identification card records, the provider must transmit 50 cents to
 2.6 the commissioner to be deposited in the general fund, and the provider must retain the
 2.7 remainder.

2.8 (e) ~~Fees~~ Of the fee collected by the commissioner under paragraphs (b) and (c) for vehicle
 2.9 registration or title records, ~~must be paid into the state treasury with 50 cents of each fee~~
 2.10 ~~credited to~~ must be deposited in the general fund, and the remainder of the fees collected
 2.11 ~~must be credited to~~ must be deposited in the driver and vehicle services operating account
 2.12 ~~in the special revenue fund specified in~~ under section 299A.705. Of the fee collected by a
 2.13 full-service provider under paragraphs (b) and (c) for vehicle registration or title records,
 2.14 the provider must transmit 50 cents of each fee to the commissioner to be deposited in the
 2.15 general fund, and the provider must retain the remainder.

2.16 (f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ must permit
 2.17 a person to inquire into a record by the person's own electronic means for a fee of \$4.50 for
 2.18 each inquiry, except that no fee may be charged when the requester is the subject of the
 2.19 data. Of the fee collected by the commissioner:

2.20 (1) \$2.70 must be deposited in the general fund;

2.21 (2) for driver's license, instruction permit, or Minnesota identification card records, the
 2.22 remainder must be deposited in the driver and vehicle services operating account ~~in the~~
 2.23 ~~special revenue fund~~ under section 299A.705; and

2.24 (3) for vehicle title or registration records, the remainder must be deposited in the driver
 2.25 and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

2.26 (g) Fees and the deposit of the fees for accident records and reports are governed by
 2.27 section 169.09, subdivision 13.

2.28 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to record
 2.29 requests made on or after that date.

2.30 Sec. 3. Minnesota Statutes 2022, section 168.327, subdivision 2, is amended to read:

2.31 Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided
 2.32 in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge
 2.33 of 50 cents on each fee charged by the commissioner or full-service provider under section

3.1 13.03, subdivision 3, for copies or electronic transmittals of public information about the
 3.2 registration of a vehicle or an applicant, or holder of a driver's license, instruction permit,
 3.3 or Minnesota identification card.

3.4 (b) The surcharge only applies to a fee imposed in response to a request made in person
 3.5 ~~or~~₂ by mail, or ~~to a request for transmittal through a computer modem~~ online. The surcharge
 3.6 does not apply to the request of an individual for information about that individual's driver's
 3.7 license, instruction permit, or Minnesota identification card or about vehicles registered or
 3.8 titled in the individual's name. The surcharges collected by a full-service provider must be
 3.9 transmitted to the commissioner to be deposited in the general fund.

3.10 (c) The surcharges collected by the commissioner under this subdivision must be credited
 3.11 to the general fund. The surcharges collected by a full-service provider must be transmitted
 3.12 to the commissioner to be deposited in the general fund.

3.13 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to record
 3.14 requests made on or after that date.

3.15 Sec. 4. Minnesota Statutes 2022, section 168.327, subdivision 3, is amended to read:

3.16 Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section
 3.17 13.03, a fee or surcharge may not be imposed in response to a request for public information
 3.18 about the registration of a vehicle if the commissioner or full-service provider is satisfied
 3.19 that:

3.20 (1) the requester seeks the information on behalf of a community-based, nonprofit
 3.21 organization designated by a local law enforcement agency to be a requester; and

3.22 (2) the information is needed to identify suspected prostitution law violators, controlled
 3.23 substance law violators, or health code violators.

3.24 (b) The commissioner ~~shall~~ or full-service provider must not require a requester under
 3.25 paragraph (a) to make a minimum number of data requests or limit the requester to a
 3.26 maximum number of data requests.

3.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to record
 3.28 requests made on or after that date.

4.1 Sec. 5. Minnesota Statutes 2022, section 168.327, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 7. **Monitoring and auditing.** The commissioner must monitor and audit the
4.4 furnishing of records by full-service providers under this section to ensure full-service
4.5 providers are complying with this section, chapter 13, and United States Code, title 18,
4.6 section 2721, et seq.

4.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

4.8 Sec. 6. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

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

4.11 (1) \$7 is imposed on every vehicle registration renewal, excluding pro rate transactions;
4.12 and

4.13 (2) \$11 is imposed on every other type of vehicle transaction, including motor carrier
4.14 fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

4.15 (b) Notwithstanding paragraph (a):

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

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

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

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

4.28 (e) The fees collected under this subdivision by the department must be allocated as
4.29 follows:

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

5.1 (i) \$5.50 must be deposited in the driver and vehicle services operating account under
5.2 section 299A.705, subdivision 1; and

5.3 (ii) \$1.50 must be deposited in the driver and vehicle services technology account under
5.4 section 299A.705, subdivision 3; and

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

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

5.7 (ii) \$6.00 must be deposited in the driver and vehicle services operating account under
5.8 section 299A.705, subdivision 1; and

5.9 (iii) \$1.50 must be deposited in the driver and vehicle services technology account under
5.10 section 299A.705, subdivision 3.

5.11 (f) In addition to all other statutory fees and taxes, a \$0.50 surcharge is imposed on every
5.12 online transaction for which filing fees are collected under this subdivision. The proceeds
5.13 from the surcharge must be deposited in the full-service provider account under section
5.14 299A.705, subdivision 5.

5.15 (g) In addition to all other statutory fees and taxes, a deputy registrar may assess a \$0.50
5.16 surcharge on every transaction for which filing fees are collected under this subdivision.
5.17 The surcharge must be (1) deposited in the treasury of the place for which the deputy registrar
5.18 is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy
5.19 registrar. For purposes of this paragraph, "deputy registrar" includes a deputy registrar who
5.20 is a full-service provider.

5.21 **EFFECTIVE DATE.** This section is effective July 1, 2023, except that paragraphs (f)
5.22 and (g) are effective July 1, 2025.

5.23 Sec. 7. Minnesota Statutes 2022, section 168.345, subdivision 2, is amended to read:

5.24 Subd. 2. **Lessees; information.** The commissioner may not furnish information about
5.25 registered owners of passenger automobiles who are lessees under a lease for a term of 180
5.26 days or more to any person except the owner of the vehicle, the lessee, personnel of law
5.27 enforcement agencies and trade associations performing a member service under section
5.28 604.15, subdivision 4a, and federal, state, and local governmental units, and, at the
5.29 commissioner's discretion, to persons who use the information to notify lessees of automobile
5.30 recalls. The commissioner may release information about lessees in the form of summary
5.31 data, as defined in section 13.02, to persons who use the information in conducting statistical
5.32 analysis and market research.

6.1 Sec. 8. Minnesota Statutes 2022, section 169.09, subdivision 13, is amended to read:

6.2 Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports
6.3 and supplemental information required under this section must be for the use of the
6.4 commissioner of public safety and other appropriate state, federal, county, and municipal
6.5 governmental agencies for accident analysis purposes, except:

6.6 (1) upon written request, the commissioner of public safety, a full-service provider as
6.7 defined in section 171.01, subdivision 33a, or any law enforcement agency ~~shall~~ must
6.8 disclose the report required under subdivision 8 to:

6.9 (i) any individual involved in the accident, the representative of the individual's estate,
6.10 or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under
6.11 section 573.02;

6.12 (ii) any other person injured in person, property, or means of support, or who incurs
6.13 other pecuniary loss by virtue of the accident;

6.14 (iii) legal counsel of a person described in item (i) or (ii);

6.15 (iv) a representative of the insurer of any person described in item (i) or (ii); or

6.16 (v) a city or county attorney or an attorney representing the state in an implied consent
6.17 action who is charged with the prosecution of a traffic or criminal offense that is the result
6.18 of a traffic crash investigation conducted by law enforcement;

6.19 ~~(2) the commissioner of public safety shall, upon written request, provide the driver~~
6.20 ~~filing a report under subdivision 7 with a copy of the report filed by the driver;~~

6.21 ~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle
6.22 insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

6.23 ~~(4)~~ (3) the commissioner of public safety ~~shall~~ must provide the commissioner of
6.24 transportation the information obtained for each traffic accident involving a commercial
6.25 motor vehicle, for purposes of administering commercial vehicle safety regulations;

6.26 ~~(5)~~ (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the
6.27 commissioner of transportation the information obtained regarding each traffic accident
6.28 involving damage to identified state-owned infrastructure, for purposes of debt collection
6.29 under section 161.20, subdivision 4; and

6.30 ~~(6)~~ (5) the commissioner of public safety may give to the United States Department of
6.31 Transportation commercial vehicle accident information in connection with federal grant
6.32 programs relating to safety.

7.1 (b) Accident reports and data contained in the reports are not discoverable under any
7.2 provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in
7.3 any trial, civil or criminal, or any action for damages or criminal proceedings arising out
7.4 of an accident. However, the commissioner of public safety ~~shall~~ must furnish, upon the
7.5 demand of any person who has or claims to have made a report or upon demand of any
7.6 court, a certificate showing that a specified accident report has or has not been made to the
7.7 commissioner solely to prove compliance or failure to comply with the requirements that
7.8 the report be made to the commissioner.

7.9 (c) Nothing in this subdivision prevents any individual who has made a report under
7.10 this section from providing information to any individuals involved in an accident or their
7.11 representatives or from testifying in any trial, civil or criminal, arising out of an accident,
7.12 as to facts within the individual's knowledge. It is intended by this subdivision to render
7.13 privileged the reports required, but it is not intended to prohibit proof of the facts to which
7.14 the reports relate.

7.15 (d) Disclosing any information contained in any accident report, except as provided in
7.16 this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

7.17 (e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section
7.18 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a \$5
7.19 fee for a copy of an accident report. Ninety percent of the \$5 fee collected by the
7.20 commissioner under this paragraph must be deposited in ~~the special revenue fund and~~
7.21 ~~credited to the driver and vehicle~~ services operating account established in section 299A.705
7.22 and ten percent must be deposited in the general fund. Of the \$5 fee collected by a full-service
7.23 provider, the provider must transmit 50 cents to the commissioner to be deposited into the
7.24 general fund, and the provider must retain the remainder. The commissioner may also furnish
7.25 an electronic copy of the database of accident records, which must not contain personal or
7.26 private data on an individual, to private agencies as provided in paragraph (g), for not less
7.27 than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision
7.28 3.

7.29 (f) The fees specified in paragraph (e) notwithstanding, the commissioner and law
7.30 enforcement agencies ~~shall~~ must charge commercial users who request access to response
7.31 or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial
7.32 user" is a user who in one location requests access to data in more than five accident reports
7.33 per month, unless the user establishes that access is not for a commercial purpose. Of the
7.34 money collected by the commissioner under this paragraph, 90 percent must be deposited

8.1 in ~~the special revenue fund and credited to the driver and vehicle~~ services operating account
8.2 established in section 299A.705 and ten percent must be deposited in the general fund.

8.3 (g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ must
8.4 provide an electronic copy of the accident records database to the public on a case-by-case
8.5 basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The
8.6 database provided must not contain personal or private data on an individual. However,
8.7 unless the accident records database includes the vehicle identification number, the
8.8 commissioner ~~shall~~ must include the vehicle registration plate number if a private agency
8.9 certifies and agrees that the agency:

8.10 (1) is in the business of collecting accident and damage information on vehicles;

8.11 (2) will use the vehicle registration plate number only for identifying vehicles that have
8.12 been involved in accidents or damaged, to provide this information to persons seeking access
8.13 to a vehicle's history and not for identifying individuals or for any other purpose; and

8.14 (3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

8.15 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to record
8.16 requests made on or after that date.

8.17 Sec. 9. Minnesota Statutes 2022, section 169.09, is amended by adding a subdivision to
8.18 read:

8.19 **Subd. 20. Monitoring and auditing.** The commissioner must monitor and audit the
8.20 furnishing of records by full-service providers under this section to ensure full-service
8.21 providers are complying with this section, chapter 13, and United States Code, title 18,
8.22 section 2721, et seq.

8.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

8.24 Sec. 10. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to
8.25 read:

8.26 **Subd. 33a. Full-service provider.** "Full-service provider" has the meaning given in
8.27 section 168.002, subdivision 12a.

8.28 Sec. 11. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to
8.29 read:

8.30 **Subd. 8. Preapplication.** (a) The commissioner must establish a process for an applicant
8.31 to submit an electronic preapplication for a driver's license or identification card. The

9.1 commissioner must design the preapplication so that the applicant must enter information
 9.2 required for the application. The preapplication process must generate a list of documents
 9.3 the applicant is required to submit in person at the time of the application. At the time an
 9.4 individual schedules an appointment to apply for a driver's license or identification card,
 9.5 the commissioner, full-service provider, or driver's license agent who is scheduling the
 9.6 appointment must provide to the applicant a link to the preapplication website.

9.7 (b) An applicant who submitted a preapplication is required to appear in person before
 9.8 the commissioner, a full-service provider, or a driver's license agent to submit a completed
 9.9 application for the driver's license or identification card.

9.10 Sec. 12. Minnesota Statutes 2022, section 171.061, subdivision 4, is amended to read:

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

9.13	<u>(1) New application for a noncompliant, REAL ID-compliant, or</u>	<u>\$ 16.00</u>
9.14	<u>enhanced driver's license or identification card</u>	
9.15	<u>(2) Renewal application for a noncompliant, REAL ID-compliant, or</u>	<u>\$ 11.00</u>
9.16	<u>enhanced driver's license or identification card</u>	

9.17 Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in
 9.18 receiving, accepting, or forwarding to the department the applications and fees required
 9.19 under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions
 9.20 3 and 3a.

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

9.28 (c) The department ~~shall~~ must maintain the photo identification and vision examination
 9.29 equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation,
 9.30 death, or discontinuance of an existing agent, and if a new agent is appointed in an existing
 9.31 office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or
 9.32 Minnesota Rules, part 7404.0400, the department shall provide and maintain photo
 9.33 identification equipment without additional cost to a newly appointed agent in that office
 9.34 if the office was provided the equipment by the department before January 1, 2000. All

10.1 photo identification and vision examination equipment must be compatible with standards
10.2 established by the department.

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

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

10.12 **EFFECTIVE DATE.** This section is effective October 1, 2023, and applies to
10.13 applications made on or after that date.

10.14 Sec. 13. Minnesota Statutes 2022, section 171.0705, is amended by adding a subdivision
10.15 to read:

10.16 **Subd. 11. Manual and study material availability.** The commissioner must publish
10.17 the driver's manual and study support materials for the written exam and skills exam. The
10.18 study support materials must focus on the subjects and skills that are most commonly failed
10.19 by exam takers. The commissioner must ensure that the driver's manual and study support
10.20 materials are easily located and are available for no cost.

10.21 Sec. 14. Minnesota Statutes 2022, section 171.12, subdivision 1a, is amended to read:

10.22 Subd. 1a. **Driver and vehicle services information system; security and auditing.** (a)
10.23 The commissioner must establish written procedures to ensure that only individuals
10.24 authorized by law may enter, update, or access not public data collected, created, or
10.25 maintained by the driver and vehicle services information system. An authorized individual's
10.26 ability to enter, update, or access data in the system must correspond to the official duties
10.27 or training level of the individual and to the statutory authorization granting access for that
10.28 purpose. All queries and responses, and all actions in which data are entered, updated,
10.29 accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in
10.30 the audit trail are public to the extent the data are not otherwise classified by law.

10.31 (b) If the commissioner ~~must immediately and permanently revoke the authorization of~~
10.32 any ~~determines that an individual who~~ willfully entered, updated, accessed, shared, or

11.1 disseminated data in violation of state or federal law, the commissioner must impose
11.2 disciplinary action. If an individual willfully gained access to data without authorization by
11.3 law, the commissioner must forward the matter to the appropriate prosecuting authority for
11.4 prosecution. The commissioner must not impose disciplinary action against an individual
11.5 who properly accessed data to complete an authorized transaction or to resolve an issue that
11.6 did not result in a completed authorized transaction.

11.7 (c) The commissioner must establish a process that allows an individual who was subject
11.8 to disciplinary action to appeal the action. If the commissioner imposes disciplinary action,
11.9 the commissioner must notify the individual in writing of the action, explain the reason for
11.10 the action, and explain how to appeal the action. The commissioner must transmit the
11.11 notification within five calendar days of the action.

11.12 (d) The commissioner must arrange for an independent biennial audit of the driver and
11.13 vehicle services information system to determine whether data currently in the system are
11.14 classified correctly, how the data are used, and to verify compliance with this subdivision.
11.15 The results of the audit are public. No later than 30 days following completion of the audit,
11.16 the commissioner must provide a report summarizing the audit results to the commissioner
11.17 of administration; the chairs and ranking minority members of the committees of the house
11.18 of representatives and the senate with jurisdiction over transportation policy and finance,
11.19 public safety, and data practices; and the Legislative Commission on Data Practices and
11.20 Personal Data Privacy. The report must be submitted as required under section 3.195, except
11.21 that printed copies are not required.

11.22 (e) For purposes of this subdivision, "disciplinary action" means a formal or informal
11.23 disciplinary measure, including but not limited to requiring corrective action or suspending
11.24 or revoking the individual's access to the driver and vehicle information system.

11.25 **EFFECTIVE DATE.** This section is effective October 1, 2023. Paragraphs (b), (c),
11.26 and (e) apply to audits of data use that are open on or after October 1, 2023.

11.27 Sec. 15. Minnesota Statutes 2022, section 171.13, subdivision 1, is amended to read:

11.28 Subdivision 1. **Examination subjects and locations; provisions for color blindness,**
11.29 **disabled veterans.** (a) Except as otherwise provided in this section, the commissioner ~~shall~~
11.30 must examine each applicant for a driver's license by such agency as the commissioner
11.31 directs. This examination must include:

11.32 (1) a test of the applicant's eyesight, provided that this requirement is met by submission
11.33 of a vision examination certificate under section 171.06, subdivision 7;

12.1 (2) a test of the applicant's ability to read and understand highway signs regulating,
12.2 warning, and directing traffic;

12.3 (3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and
12.4 drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal
12.5 penalties and financial consequences resulting from violations of laws prohibiting the
12.6 operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad
12.7 grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil
12.8 transportation safety, including the significance of school bus lights, signals, stop arm, and
12.9 passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and
12.10 dangers of carbon monoxide poisoning;

12.11 (4) an actual demonstration of ability to exercise ordinary and reasonable control in the
12.12 operation of a motor vehicle; and

12.13 (5) other physical and mental examinations as the commissioner finds necessary to
12.14 determine the applicant's fitness to operate a motor vehicle safely upon the highways.

12.15 (b) Notwithstanding paragraph (a), the commissioner must not deny an application for
12.16 a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in
12.17 color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans
12.18 operating motor vehicles especially equipped for disabled persons, if otherwise entitled to
12.19 a license, must be granted such license.

12.20 ~~(e) The commissioner shall make provision for giving the examinations under this~~
12.21 ~~subdivision either in the county where the applicant resides or at a place adjacent thereto~~
12.22 ~~reasonably convenient to the applicant.~~

12.23 ~~(d) The commissioner shall ensure that an applicant is able to obtain an appointment for~~
12.24 ~~an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the~~
12.25 ~~applicant's request if, under the applicable statutes and rules of the commissioner, the~~
12.26 ~~applicant is eligible to take the examination.~~

12.27 (c) The commissioner must ensure the following number of exam stations locations are
12.28 available:

12.29 (1) after July 1, 2023, and before July 1, 2024, 93 exam stations;

12.30 (2) after July 1, 2024, and before July 1, 2025, 83 exam stations;

12.31 (3) after July 1, 2025, and before July 1, 2026, 73 exam stations; and

12.32 (4) after July 1, 2026 and thereafter, 60 exam stations.

13.1 The commissioner must ensure that an applicant may take an exam either in the county
 13.2 where the applicant resides or in an adjacent county at a reasonably convenient location.
 13.3 The schedule for each exam station must be posted on the department's website.

13.4 (d) A located exam station must be open a minimum of one day per week.

13.5 (e) The commissioner must provide real-time information on the department's website
 13.6 about the availability and location of exam appointments. The website must show the next
 13.7 available exam dates and times for each exam station. The website must also provide an
 13.8 option for a person to enter an address to see the date and time of the next available exam
 13.9 at each exam station sorted by distance from the address provided. The information must
 13.10 be easily accessible and must not require a person to sign in or provide any other information,
 13.11 except an address, in order to see available exam dates.

13.12 **EFFECTIVE DATE.** This section is effective July 1, 2023. Paragraph (d) is effective
 13.13 July 1, 2026. Paragraph (e) is effective January 1, 2024.

13.14 Sec. 16. Minnesota Statutes 2022, section 171.13, subdivision 1a, is amended to read:

13.15 Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner
 13.16 determines that an applicant 21 years of age or older possesses a valid driver's license issued
 13.17 by another state or jurisdiction that requires a comparable examination for obtaining a
 13.18 driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the
 13.19 applicant pass a written knowledge examination and demonstrate ability to exercise ordinary
 13.20 and reasonable control in the operation of a motor vehicle ~~on determining that the applicant~~
 13.21 ~~possesses a valid driver's license issued by a jurisdiction that requires a comparable~~
 13.22 ~~demonstration for license issuance.~~

13.23 (b) If the commissioner determines that an applicant 21 years of age or older possesses
 13.24 a valid driver's license with a two-wheeled vehicle endorsement issued by another state or
 13.25 jurisdiction that requires a comparable examination for obtaining the endorsement, the
 13.26 commissioner must waive the requirements that the applicant for a two-wheeled vehicle
 13.27 endorsement pass a written knowledge examination and demonstrate the ability to exercise
 13.28 ordinary and reasonable control in the operation of a motor vehicle.

13.29 (c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both
 13.30 the active and reserve components of any branch or unit of the United States armed forces,
 13.31 and "valid driver's license" includes any driver's license that is recognized by that branch
 13.32 or unit as currently being valid, or as having been valid at the time of the applicant's
 13.33 separation or discharge from the military within a period of time deemed reasonable and

14.1 fair by the commissioner, up to and including one year past the date of the applicant's
14.2 separation or discharge.

14.3 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to applications
14.4 made on or after that date.

14.5 Sec. 17. **[171.375] STUDENT PASS RATE.**

14.6 (a) For each driver training school, the commissioner must determine the percentage of
14.7 students from that school who pass the written exam or road test on the student's first attempt,
14.8 second attempt, or third or subsequent attempt. The commissioner must publicly post the
14.9 information collected under this section on the department's website. At a minimum, the
14.10 commissioner must update this information on the department's website at least every six
14.11 months. The information must be searchable by the name of a school or a location.

14.12 (b) By January 1 and July 1 of each year, each driver training school must provide to
14.13 the commissioner a list of all students who completed coursework at the school during the
14.14 previous six months.

14.15 Sec. 18. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

14.16 A driver and vehicle services fund is created in the state treasury. The fund consists of
14.17 accounts and money as specified by law and any other money otherwise donated, allotted,
14.18 or transferred to the fund.

14.19 Sec. 19. Minnesota Statutes 2022, section 299A.705, subdivision 1, is amended to read:

14.20 Subdivision 1. **Driver and vehicle services operating account.** ~~(a)~~ The driver and
14.21 vehicle services operating account is created in the ~~special revenue~~ driver and vehicle
14.22 services fund, consisting of all money from the vehicle services fees specified in chapters
14.23 168, 168A, and 168D, all money collected under chapter 171, and any other money donated,
14.24 allotted, transferred, or otherwise provided to the account.

14.25 ~~(b)~~ Funds appropriated from the account must be used by the commissioner of public
14.26 safety to administer:

14.27 (1) the vehicle services specified in chapters 168, 168A, and 168D, and section 169.345,
14.28 including:

14.29 ~~(1)~~ (i) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,
14.30 and titles;

14.31 ~~(2)~~ (ii) collecting title and registration taxes and fees;

- 15.1 ~~(3)~~ (iii) transferring vehicle registration plates and titles;
- 15.2 ~~(4)~~ (iv) maintaining vehicle records;
- 15.3 ~~(5)~~ (v) issuing disability certificates and plates;
- 15.4 ~~(6)~~ (vi) licensing vehicle dealers;
- 15.5 ~~(7)~~ (vii) appointing, monitoring, and auditing deputy registrars; and
- 15.6 ~~(8)~~ (viii) inspecting vehicles when required by law; and
- 15.7 (2) the driver services specified in chapters 169A and 171, including the activities
 15.8 associated with producing and mailing drivers' licenses and identification cards and notices
 15.9 relating to issuance, renewal, or withdrawal of driving and identification card privileges for
 15.10 any fiscal year or years and for the testing and examination of drivers.

15.11 Sec. 20. Minnesota Statutes 2022, section 299A.705, subdivision 3, is amended to read:

15.12 **Subd. 3. Driver and vehicle services technology account.** (a) The driver and vehicle
 15.13 services technology account is created in the ~~special revenue~~ driver and vehicle services
 15.14 fund, consisting of the technology surcharge collected as specified in chapters 168, 168A,
 15.15 and 171; the filing fee revenue collected under section 168.33, subdivision 7; and any other
 15.16 money donated, allotted, transferred, or otherwise provided to the account.

15.17 (b) Money in the account is annually appropriated to the commissioner of public safety
 15.18 for the development, deployment, and maintenance of the driver and vehicle services
 15.19 information systems.

15.20 (c) By January 15 of each year, the commissioner must submit a report to the chairs and
 15.21 ranking minority members of the legislative committees with jurisdiction over transportation
 15.22 policy and finance concerning the account, which must include information on (1) total
 15.23 revenue deposited in the driver and vehicle services technology account, with a breakdown
 15.24 by sources of funds; and (2) an estimate of ongoing system maintenance costs, including a
 15.25 breakdown of the amounts spent by category.

15.26 Sec. 21. Minnesota Statutes 2022, section 299A.705, is amended by adding a subdivision
 15.27 to read:

15.28 **Subd. 5. Full-service provider account.** (a) The full-service provider account is created
 15.29 in the driver and vehicle services fund, consisting of surcharges described in sections 168.33,
 15.30 subdivision 7, and any other money donated, allotted, transferred, or otherwise provided to
 15.31 the account.

16.1 (b) Money in the account is annually appropriated to the commissioner of public safety
16.2 to distribute to full-service providers, as defined in section 168.002, subdivision 12a, and
16.3 deputy registrars. The commissioner must distribute the money in the account as quarterly
16.4 payments to each full-service provider and deputy registrar that was in operation during the
16.5 previous quarter based proportionally on the total number of transactions completed by each
16.6 full-service provider and deputy registrar. For the purposes of the distribution calculation
16.7 in this paragraph, the number of transactions completed by a deputy registrar must first be
16.8 multiplied by

16.9 **EFFECTIVE DATE.** This section is effective July 1, 2023, and the first quarterly
16.10 distribution must be made on or before July 15, 2023.

16.11 Sec. 22. **REPORT; DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT**
16.12 **FINANCIAL SUSTAINABILITY.**

16.13 By July 1, 2024, the commissioner of public safety must report to the chairs and ranking
16.14 minority members of the legislative committees with jurisdiction over transportation finance
16.15 and policy an evaluation of deputy registrar and driver's license agent operations in the
16.16 vehicle registration and driver's licensing system. The commissioner must engage with
16.17 stakeholders in preparing and developing the report. The report, at a minimum, must:

16.18 (1) evaluate the current performance and impact of the quality of services provided by
16.19 private deputy registrars and driver's license agents to the residents of Minnesota;

16.20 (2) evaluate and make recommendations on how to implement financial sustainability
16.21 for private deputy registrars;

16.22 (3) detail the amount of financial assistance necessary to sustain a permanent role for
16.23 private deputy registrars and driver's license agents;

16.24 (4) explain each proposed model of financial assistance or support for deputy registrars;

16.25 (5) detail a five-, ten-, and 20-year analysis on the role of deputy registrars and driver's
16.26 license agents in the vehicle registration and driver's licensing system;

16.27 (6) evaluate and make recommendations on the long-term and market-rate financial
16.28 assistance necessary to transition away from private deputy registrars and driver's license
16.29 agents;

16.30 (7) explain and make recommendations on proposed legislation on the Division of Driver
16.31 and Vehicle Services assuming all of the services provided by private deputy registrars and
16.32 driver's license agents;

17.1 (8) identify and evaluate whether the Division of Driver and Vehicle Services has
17.2 sufficient financial resources to assume all the services provided by private deputy registrars
17.3 and driver's license agents; and

17.4 (9) propose legislation and make recommendations on fees and appropriations needed
17.5 for the Division of Driver and Vehicle Services to assume all services provided by deputy
17.6 registrars and driver's license agents.

17.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.8 Sec. 23. **REPORT; DRIVER AND VEHICLE SERVICES RECOMMENDATIONS.**

17.9 (a) By January 15, 2024, the commissioner of public safety must report to the chairs and
17.10 ranking minority members of the legislative committees with jurisdiction over transportation
17.11 finance and policy on driver and vehicle services recommendations and operations. The
17.12 report must:

17.13 (1) review recommendations from the independent expert review of driver and vehicle
17.14 services issued January 12, 2022, as identified under paragraph (b);

17.15 (2) review the recommendations made to the commissioner in the legislative auditor's
17.16 report on driver examination stations issued in March 2021;

17.17 (3) provide the commissioner's plan for exam station locations, including how many
17.18 exam stations will remain open and the locations of the exam stations;

17.19 (4) identify whether any limited driver's license agents are unable to become full-service
17.20 providers because of the restrictions in Minnesota Statutes, section 171.061, and Minnesota
17.21 Rules, chapter 7404, and, if so, whether the commissioner would recommend any exceptions
17.22 to allow the limited driver's license agent to participate in the fee-sharing provisions of this
17.23 act; and

17.24 (5) propose any changes to statutes necessary or beneficial in implementing
17.25 recommendations under clauses (1) and (2).

17.26 (b) The report must include information on the independent expert review
17.27 recommendations to:

17.28 (1) revise the deputy registrar and driver's license agent contracts to encourage all deputy
17.29 registrars and driver's license agents to become or remain full-service providers as defined
17.30 in Minnesota Statutes, section 168.002, subdivision 12a;

17.31 (2) determine how best to utilize certified and impartial third parties for administration
17.32 of knowledge and road tests;

- 18.1 (3) implement data and reporting practices to assist the commissioner in making decisions
18.2 focused on the residents of the state;
- 18.3 (4) conduct a staffing review that balances staff quantity and quality, leverages technology
18.4 automations and configurations, and establishes performance standards and targets that
18.5 meet the needs of the state;
- 18.6 (5) identify performance and service standards and create a deputy registrar performance
18.7 scorecard and a driver's license agent performance scorecard that monitors user performance
18.8 to ensure a consistently positive experience for Minnesotans;
- 18.9 (6) provide a rapid response communication method for situations where deputy registrars
18.10 or driver's license agents need immediate support;
- 18.11 (7) explore ways to speed up background checks of new employees at the division of
18.12 driver and vehicle services offices and deputy registrar offices, including using a police
18.13 department or county sheriff;
- 18.14 (8) promote the preapplication process and expand the use of preapplications to all
18.15 possible, relevant areas;
- 18.16 (9) evaluate and make recommendations to the legislature on areas where it is appropriate
18.17 to make preapplications mandatory;
- 18.18 (10) adjust policies and practices to automate as many approval transactions as possible;
- 18.19 (11) determine the proper user level field needed by transaction type and explore
18.20 additional differentiated user levels in MNDRIVE;
- 18.21 (12) allow deputy registrars to have increased visibility to and influence on the
18.22 MNDRIVE enhancement process;
- 18.23 (13) engage a learning consultant and create a content strategy and communications
18.24 campaign to meet the needs of Minnesota residents, including a feedback loop for continuous
18.25 improvement and evolution;
- 18.26 (14) provide additional training and clear guidance regarding permissible use of records
18.27 and enable in-application notation of usage other than for paid transactions;
- 18.28 (15) consider what security measures are appropriate at each deputy registrar or driver's
18.29 license agent location, including the possible need for a security officer or for cameras with
18.30 recording capabilities;
- 18.31 (16) offer training in de-escalation and negotiation techniques to all public-facing staff;

19.1 (17) examine the potential of allowing online applications for replacement class D drivers'
19.2 licenses;

19.3 (18) conduct an analysis to determine whether extending the validity of a class D driver's
19.4 license would benefit the residents of the state and make recommendations to the legislature
19.5 on a renewal fee structure for renewal periods longer than four years but not more than nine
19.6 years;

19.7 (19) explore options to encourage people to conduct transactions online or in person
19.8 instead of by mail; and

19.9 (20) study the feasibility of splitting revenue from mail or online vehicle transactions
19.10 between the commissioner and deputy registrars and full-service providers.

19.11 (c) For each of the recommendations under paragraph (a), clauses (1) and (2), and
19.12 paragraph (b), the report must specify the status from one of the following categories:

19.13 (1) the recommendation is under ongoing active consideration or review, including to:

19.14 (i) describe the current state of the analysis; and

19.15 (ii) provide the anticipated timeline to conclude the review;

19.16 (2) the recommendation is in the process of being implemented, including to:

19.17 (i) describe how the recommendation is being implemented;

19.18 (ii) provide the anticipated timeline for implementation; and

19.19 (iii) provide an estimated cost of implementing the recommendation;

19.20 (3) the recommendation has been implemented, including to:

19.21 (i) describe when and how the recommendation was implemented;

19.22 (ii) describe the outcome of implementing the recommendation; and

19.23 (iii) provide an estimated cost of implementing the recommendation; or

19.24 (4) the recommendation will not be implemented, including to:

19.25 (i) provide a detailed explanation of why the recommendation will not be implemented;

19.26 (ii) provide an estimated cost to implement the recommendation;

19.27 (iii) provide an estimated timeline to implement the recommendation; and

19.28 (iv) describe any unmet needs that, if met, would allow the commissioner to implement
19.29 the recommendation.

20.1 EFFECTIVE DATE. This section is effective the day following final enactment.

20.2 Sec. 24. APPROPRIATIONS; TRANSFERS.

20.3 (a) \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are transferred
20.4 from the general fund to the full-service provider account under Minnesota Statutes, section
20.5 299A.705. This is a onetime transfer.

20.6 (b) \$750,000 in fiscal year 2024 is appropriated from the driver and vehicle services
20.7 operating account under Minnesota Statutes, section 299A.705, to the commissioner of
20.8 public safety for reimbursement to driver's license agents for the purchase of equipment
20.9 necessary for a full-service provider, as defined in Minnesota Statutes, section 171.01,
20.10 subdivision 33a, following application to the commissioner. The commissioner may provide
20.11 no more than \$15,000 to each driver's license agent. This is a onetime appropriation.

20.12 (c) \$101,000 in fiscal year 2024 and \$96,000 in fiscal year 2025 are appropriated from
20.13 the driver and vehicle services operating account under Minnesota Statutes, section 299A.705,
20.14 to the commissioner of public safety for staff costs related to monitoring and auditing records
20.15 issued by full-service providers.

20.16 (d) \$57,000 in fiscal year 2024 and \$51,000 in fiscal year 2025 are appropriated from
20.17 the driver and vehicle services operating account under Minnesota Statutes, section 299A.705,
20.18 to the commissioner of public safety for an appeals process for information technology
20.19 system data access revocations, including costs of staff and equipment."

20.20 Amend the title as follows:

20.21 Page 1, line 8, delete "report" and insert "reports"

20.22 Amend the title numbers accordingly

20.23 And when so amended the bill do pass and be re-referred to the Committee on Judiciary
20.24 and Public Safety. Amendments adopted. Report adopted.

D. Scott Dibble

.....
(Committee Chair)

March 10, 2023.....
(Date of Committee recommendation)