

**VIA EMAIL**

May 16, 2025

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**In the Matter of the Proposed Rules Relating to Limousine Service; *Minnesota Rules*, Chapter 8880; Revisor's ID Number R-04954**

Dear Legislative Reference Library:

The Minnesota Department of Transportation intends to adopt rules relating to limousine service. We plan to publish a Notice of Intent to Adopt Rules without a Public Hearing in the June 9, 2025, *State Register*.

We have prepared a Statement of Need and Reasonableness. As required under Minnesota Statutes, sections 14.131 and 14.23, we are sending the library an electronic copy of the Statement of Need and Reasonableness before we send our Notice of Intent to Adopt Rules.

If you have any questions or concerns, please contact me at [andrea.barker@state.mn.us](mailto:andrea.barker@state.mn.us).

Sincerely,

Andrea Barker  
Policy and Administrative Rules Coordinator

**Enclosure:** Statement of Need and Reasonableness



## **STATEMENT OF NEED AND REASONABLENESS**

Proposed Amendment Rules Relating to Limousine Services,  
Minnesota Rules, Chapter 8880; Revisor's ID Number R-04594

Minnesota Department of Transportation  
Office of Freight and Commercial Vehicle Operations

May 2025

## General information:

1. Availability: The State Register notice, this Statement of Need and Reasonableness (SONAR), and the proposed rule will be available during the public comment period on the Department's website: <https://www.dot.mn.gov/rules/limousine.html>.
2. View older rule records at: Minnesota Rule Statutes - <https://www.revisor.mn.gov/rules/status/>
3. Agency contact for information, documents, or alternative formats: Upon request, this Statement of Need and Reasonableness can be made available in an alternative format, such as large print, braille, or audio. Additionally, this document uses underline and strikethrough formatting in the rule-by-rule analysis section to indicate proposed changes. Such formatting is not recognized by most screen readers. To request the document in an alternative format, contact Andrea Barker, Rulemaking Coordinator, Minnesota Department of Transportation, 395 John Ireland Blvd, St. Paul, MN 55155; telephone 651-366-4029; email [andrea.barker@state.mn.us](mailto:andrea.barker@state.mn.us); or use your preferred telecommunications relay service.
4. How to read a Minnesota Statutes citation: Minn. Stat. § 999.09, subd. 9(f)(1)(ii)(A) is read as Minnesota Statutes, section 999.079, subdivision 9, paragraph (f), clause (1), item (ii), subitem (A).
5. How to read a Minnesota Rules citation: Minn. R. 9999.0909, subp. 9(B)(3)(b)(i) is read as Minnesota Rules, chapter 9999, part 0909, subpart 9, item B, subitem (3), unit (b), subunit (i).
6. How to read a Code of Federal Regulations citation: 99 CFR § 999.0909(b)(1)(i) is read as Code of Federal Regulations, title 49, section 999.0909, paragraph (b), clause (1), item (i).

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## Acronyms

APA	Administrative Procedures Act
ALJ	Administrative Law Judge
CFR	Code of Federal Regulations
MAT	MN Association of Townships
Minn. R. pt	Minnesota Rules part
Minn. Stat.	Minnesota Statutes
MMB	Minnesota Management and Budget
MN	Minnesota
MORS	MN Office of the Revisor of Statutes
OAH	Office of Administrative Hearings
SONAR	Statement of Need and Reasonableness

# **Introduction and Overview**

## **Introduction**

In this rulemaking, the Department of Transportation (Department) is proposing amendments to the Minnesota rules governing for-hire limousine services and limousine permit requirements. The Department's Office of Freight and Commercial Vehicle Operations issues permits for operation of limousines as required in Minn. Stat. § 221.84 and regulates limousine operators and vehicles using the requirements established in Minn. R. Chapter 8880. Limousine service means a service that is not provided on a regular route; is provided in a luxury passenger automobile that has a seating capacity of not more than 15 persons, including the driver; provides only prearranged pickup; and charges more than a taxicab fare for a comparable trip.

## **Statement of General Need**

The proposed amendments are intended to ensure the safety of passengers, clarify requirements, and ensure consistency with other commercial vehicle programs administered by the Department. They are necessary to address changes to the industry that have occurred since the Department adopted the rules in 1994 as well as changes made to the authorizing statute in 2014.

## **Scope of Proposed Amendments**

The following Minnesota rule parts are affected by the proposed changes:

- 8880.0100 Definitions
- 8880.0200 Authority, Purpose, and Scope
- 8880.0300 General Requirements
- 8880.0400 Limousine Service Permit Application; Fees
- 8880.0500 Limousine Service Permit
- 8880.0600 Limousine Identification Decal Application; Fees
- 8880.0700 Limousine Identification Decal
- 8880.0800 Driver Qualifications
- 8880.0900 Vehicle Requirements
- 8880.1000 Records
- 8880.1100 Vehicle Inspection by Commissioner
- 8880.1200 Administrative Penalties

- 8880.1300 Suspension or Revocation of Permit
- 8880.1500 Variance (New)

## Statutory Authority

The Department was granted authority to adopt rules in Minn. Stat. § 221.84, subd. 2(b).

### **221.84 Limousine.**

Subd. 2. Permit required; rules. (a)...

(b) The commissioner shall adopt rules governing the issuance of permits for for-hire operation of limousines that include:

(1) annual inspections of limousines;

(2) driver qualifications, including requiring a criminal history check of drivers;

(3) insurance requirements;

(4) advertising regulation, including requiring a copy of the permit to be carried in the limousine and use of the words “licensed and insured”;

(5) provisions for agreements with political subdivision for sharing enforcement costs;

(6) issuance of temporary permits and temporary permit fees; and

(7) other requirements deemed necessary by the commissioner.

## Background

In 1991, the legislature established the requirement for limousine operators to obtain a permit to engage in for-hire limousine services. Minn. Stat. § 221.84 defined “limousine service” and required the commissioner of transportation to adopt rules governing the issuance of permits for the for-hire operation of limousines.

In 1994, the Department adopted rules describing the requirements for obtaining permits, decals, and insurance. The rules also established driver qualifications, requirements for vehicles, records, and inspections, and provided provisions for suspending or revoking permits and entering into cooperative agreements with other political subdivisions to enforce and implement the rules. These rules have never been amended.

In October 2018, a horrific limousine crash in Upstate New York resulted in the deaths of 20 people. The limousine had failed a safety inspection a month prior to the crash and the owner had been told not to use the vehicle. At the time of the accident, neither the driver nor the vehicle was in compliance with the applicable state regulations. Had the limousine operator removed the vehicle from its fleet or



brought the vehicle into compliance as required, the fatal accident could likely have been avoided. The crash cast a spotlight on for-hire transport across the country. Fortunately, nothing like this has happened in Minnesota, however, the Department undertook a review of the rules and is proposing amendments to ensure passenger safety.

In 2019, the Minnesota Office of the Legislative Auditor undertook a special review to examine the state's regulation of for-hire passenger transportation and issued its report in June 2020. The report provided recommendations to address safety issues and provide process improvements. These recommendations have been incorporated into the proposed rule changes.

Finally, in November 2021, the Infrastructure Investment and Jobs Act became Public Law No. 117-58. The law requires limousine operators to prominently disclose in a clear and conspicuous notice the date of the most recent inspection of the limousine, the results of the inspection, and any corrective action taken by the limousine operator to ensure the limousine passed inspection. The proposed amendments to the rules incorporate this language.

## **Public Participation and Stakeholder Involvement**

Consistent with the Administrative Procedures Act (APA), the Department published a Request for Comments in the Minnesota State Register on June 8, 2020. To increase accessibility and opportunity for feedback, the Department created a web page which displayed relevant information on this rulemaking process and provided the opportunity to make comments. The webpage was available from the time the Request for Comments was published until the Department published the Notice of Intent to Adopt Rules.

Additionally, in August 2021, the Department solicited initial feedback on the proposed rules as well as the proposed "MnDOT Out-of-Service and Defect Criteria" from a variety of organizations that are most likely to be affected by the rule revisions:

- League of Minnesota Cities
- City of St. Paul
- City of Minneapolis
- Metropolitan Airports Commission
- Minnesota Chauffeured Transportation Association
- Department of Public Safety – Driver and Vehicle Services
- Several limousine operators representing small and medium/large companies in both the Twin Cities Metro Area and Greater Minnesota
- Uber and Lyft

Finally, in accordance with the requirements of Minn. Stat. Chapter 14, and Minn. R. Chapter 1400, the Department sought input and comments from the public, stakeholders, and individuals affected by these rules. These activities are described in detail on pages 48-50 of this SONAR.

## Reasonableness of the Amendments

### General Reasonableness

The proposed amendments to these rules were developed over the span of several years and reflect an ongoing and robust dialogue with limousine operators. The Department has carefully considered all feedback from members of the public and stakeholders. The proposed amendments to these rules reflect these considerations, along with the statutory requirements, to provide minimum standards for performance-based rules that allow clarity, consistency, and enforceability.

### Rule-by-Rule Analysis

The Department's proposed rules include best practices and recommendations from the Office of the Revisor including:

- changing the term “shall” to “must” throughout the entire chapter;
- breaking rules structured as paragraphs into “outline” structure, with subpart, item, and subitem entries, as the rule text might require; and
- using active in place of passive voice.

All other proposed changes are identified below and followed by a justification.

#### PART 8880.0100 - DEFINITIONS

Subp. 5. **Criminal record.** “Criminal record” means the conviction records of the Minnesota Bureau of Criminal Apprehension, or the conviction records of any other United States state or territory in which the last date of discharge from the criminal justice system is less than five years.

**Justification for part 8880.0100, subp. 5:** The first change to subpart 5 ensures that convictions in other U.S. states or territories have the same weight as a conviction in Minnesota. Convictions in other U.S. states or territories are not included in the conviction records of the Minnesota Bureau of Criminal Apprehension, but a similar conviction in another jurisdiction should have the same effect on the offender as a conviction in Minnesota.

The second change removes the timeframe for which a criminal record applies. This language is being moved to part 8880.0800, subpart 6.

**Subp. 7a. Exceptional Circumstances.** “Exceptional circumstances” includes:

- A. a major limousine repair that lasts more than ten days;
- B. booking demands that extend beyond the capacity of the operator’s fleet; or
- C. other circumstances beyond the operator’s control.

***Justification for part 8880.0100, subp. 7a:*** The new language in part 8880.0700, subpart 5a, regarding temporary limousine permits, references “exceptional circumstances”; therefore, a definition is necessary. The proposed definition is reasonable because it provides examples of the most common circumstances that operators encounter for which they might need a temporary permit, but also leaves room for other situations that may arise.

Subp. 8. ~~For-hire~~**For-hire.** “~~For-hire~~”**For-hire**” has the meaning given in Minnesota Statutes, section 221.012, subdivision 14.

***Justification for part 8880.0100, subp. 8:*** The change to part 8880.0100, subpart 8, is housekeeping in nature.

Subp. 9. **Limousine.** “Limousine” ~~means an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver~~ has the meaning given in Minnesota Statutes, section 168.002, subdivision 15.

***Justification for part 8880.0100, subp. 9:*** The definition of “limousine” was updated in Minnesota Statutes, section 168.002 in 2014. The change to part 8880.0100, subpart 9, ensures that the rule definition aligns with the statutory definition.

Subp. 10. **Limousine operator.** “Limousine operator” means a person who owns or leases and ~~operates~~ drives or retains others to drive a limousine for-hire and who is subject to Minnesota Statutes, section 221.84, and this chapter. “Limousine operator” does not include a broker or other person who arranges for, but does not provide, for-hire limousine service.

***Justification for part 8880.0100, subp. 10:*** Over time, the for-hire transportation industry has changed to include a diverse array of employment arrangements, including the use of independent contractors. The limousine operator is the owner or lessor of a limousine but is not necessarily the driver. It is reasonable to clarify within the definition that the operator is the person who drives, or retains others to drive, a limousine. The limousine operator is responsible for its drivers regardless of the employment relationship between the operator and the driver.

Subp. 11. **Limousine service.** “Limousine service” ~~means a service that~~ has the meaning given in Minnesota Statutes, section 221.84, subdivision 1.

- ~~A. is not provided on a regular route;~~
- ~~B. is for hire;~~
- ~~C. is provided in a limousine;~~
- ~~D. provides only prearranged pickup; and~~
- ~~E. charges more than a taxicab fare for a comparable trip.~~

“Limousine service” does not include service provided by a person who is a private carrier as described in Minnesota Statutes, section 221.012, subdivision 35.

**Justification for part 8880.0100, subp. 11:** The change to part 8880.0100, subpart 11, ensures that the rule definition aligns with the statutory definition.

Subp. 12. **Luxury passenger automobile.** "Luxury passenger automobile" means a passenger automobile that ~~does not have a meter and:~~

- A. has a chassis and wheelbase that have been stretched beyond the length of the manufacturer's original specifications for the vehicle;
- B. is a sedan that the manufacturer characterizes as a luxury automobile in sales or promotional material regularly distributed to the public; or
- C. for a vehicle added to a fleet on or after the effective date of this rule, is a sedan with an original manufacturer's suggested retail price or present fair market value of more than ~~\$25,000~~ \$52,500.

Luxury passenger automobile does not include a bus, pickup truck, ~~station wagon,~~ taxicab, or truck, ~~or van.~~

**Justification for part 8880.0100, subp. 12:** The first change to subpart 12 removes the phrase “does not have a meter” due to changes in technology. Many limousine service chauffeurs use apps that “meter” time and distance and often show the “fare” for the trip, even though the fee is pre-arranged. Technology allows for an extended trip measured by time or distance to be visible to the client. The language regarding a “meter” no longer serves a purpose for distinguishing between service types (such as limousine vs. taxi).

The second change to subpart 12 is an adjustment to the value of a luxury vehicle. Minnesota Statutes §168.002, subd. 15 and §221.84, subd. 1 refer to a limousine as a “luxury passenger automobile” but do not define the term “luxury.” The Department has been using a value in its rules as one criterion for defining “luxury” for over 30 years and the industry is accustomed to this method. A value is the most

quantitative way to define “luxury” and removes any subjectivity in determining whether the vehicle meets the threshold. However, the value in the existing rule is out-of-date. The Department modified the value according to the procedures in the proposed new rule part 8880.0300, subpart 10 (described below), which apply the percentage change that is published in the Consumer Price Index and found at [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm). Note: There is not a specific method required for determining the “present fair market value” of a vehicle. It may be determined in using any industry standard such as Kelly Blue Book (KBB), National Automobile Dealers Association (NADA), or a similar index.

The last change to subpart 12 aligns the definition of luxury passenger automobile with the Department of Vehicle Service’s (DVS) definition of passenger automobile in Chapter 168. DVS allows station wagons and certain vans that were not manufactured for cargo to be classified as passenger automobiles; therefore, they could also be luxury passenger automobiles if they meet the definition of subpart 12. Luxury passenger automobiles cannot be busses, pickup trucks, taxicabs, or trucks.

~~Subp. 13. **Meter.** “Meter” means a device that measures the distance a motor vehicle travels, records the time a motor vehicle travels or waits, and shows the fare charged for the transportation of passengers.~~

**Justification for repeal of part 8880.0100, subp. 13:** The term “meter” is no longer used in the rule, so the definition is no longer needed.

Subp. 19. **Prearranged pickup.** “Prearranged pickup” means limousine transportation ~~initiated at the request of~~ scheduled by a passenger or a passenger’s representative. Prearranged pickup does not include hailing at the time of transportation.

**Justification for part 8880.0100, subp. 19:** The changes to this definition are needed to clarify the requirement for limousine transportation to be scheduled in advance. The pickup may be scheduled by someone other than the passenger, such as a hotel concierge, but a limousine cannot sit outside a venue waiting for a potential passenger to come along, as a taxicab would do. Minnesota Statutes §221.84 requires limousine service to be prearranged and adding the exclusion of “hailing” adds clarity and distinguishes between taxi service which often includes “hailing.”

~~Subp. 22. **Station wagon.** “Station wagon” means a motor vehicle that is not a van, is designed primarily for the transportation of passengers, and is commonly manufactured with storage space for the transportation of property with no barrier or separation between the passenger area and the storage area.~~

**Justification for repeal of part 8880.0100, subp. 22:** The term “station wagon” is no longer used in the rule, so the definition is no longer needed.

Subp. 23. **Taxicab.** "Taxicab" means a motor vehicle, other than a limousine or bus, marked as a "taxi" or "taxicab" and used for transporting no more than seven passengers for compensation as determined by a meter, or by a flat rate schedule, according to the distance traveled, the time elapsed, or number of passengers carried, irrespective of whether the transportation extends beyond the boundary lines of a city.

**Justification for part 8880.0100, subp. 23:** The first change to this subpart is to include language indicating that a taxicab is marked as a "taxi" or "taxicab." This is reasonable because taxis are typically marked and is an easy way to distinguish a taxi from a limo. The second change is to add the limitation of 7 passengers. This change is reasonable because it is in line with the number of passengers allowed under the federal definition of "taxicab service." The final change is to remove the requirement for compensation to be determined by a meter. The use of a meter is an outmoded way of viewing taxis. Nowadays, rides are ordered through phones and taxis often don't have meters, so it is reasonable to remove the reference to a meter. All changes to this subpart are needed for clarity.

~~Subp. 25. **Unmarked.** "Unmarked" means without visible numbers, letters, symbols, graphic representations, or advertising. The term unmarked does not include a license plate, vehicle identification decal, or other means of identification required by federal law or regulation.~~

**Justification for repeal of part 8880.0100, subp. 25:** The term "unmarked" is obsolete because the requirement for limousines to be "unmarked" was removed from the definition of "limousine" in 1997.

~~Subp. 26. **Van.** "Van" means a motor vehicle of box like design that is manufactured, equipped, modified, or converted as a passenger motor vehicle.~~

**Justification for repeal of part 8880.0100, subp. 26:** The term "van" is no longer used in the rule, so the definition is no longer needed.

## **PART 8880.0200 – AUTHORITY; PURPOSE; SCOPE.**

Subpart 1. **Authority.** Parts 8880.0100 to 8880.1400 are adopted under Minnesota Statutes, section 221.84, subdivision 2.

Subp. 2. **Purpose.** The purpose of this chapter is to enhance the safety of limousine services provided in Minnesota through department oversight in accordance with Minnesota Statutes, section 221.84. This chapter establishes standards and requirements for limousine operators, drivers, and vehicles.

Subp. 3. **Applicability; persons.** This chapter governs limousine service as defined in part 8880.0100. All limousine operators and drivers, including independent contractors and leased drivers, must adhere to the standards and requirements prescribed by this chapter.

Subp. 4. **Applicability; vehicles.** The requirements contained in this chapter apply to any vehicle that is required by Minnesota Statutes, section 168.128, to have a limousine plate, except for those operated by persons meeting the definition of a private carrier in Minnesota Statutes, section 221.012, subdivision 35.

**Justification for part 8880.0200:** The addition of the purpose and scope to this rule part adds clarity.

Subpart 2 provides the purpose of the rule and is reasonable because it references the statute that directs the commissioner to adopt rules regulating limousine service.

Subpart 3 clarifies the applicability of the rule to persons and expressly provides that the rules govern independent contractors and leased drivers, a point that was not readily apparent without this subpart.

Subpart 4 clarifies which vehicles are subject to the rules. The chapter is not intended to regulate Transportation Network Companies (TNCs) operating ride-sourcing services in vehicles that do not require a limousine plate. However, there are also some entities called “private carriers” that operate limousines with limousine plates in a capacity that is not personal but is also not “for hire” (for example, radio station promotional limousines, real estate brokers, etc.). Under Minn. Stat. §221.84, private carriers are exempt from the requirement to obtain a permit even though they have limousine plates. The language excepting private carriers from these rules is needed for clarity and reasonable because they are exempt under statute.

## **PART 8880.0300 - GENERAL REQUIREMENTS**

Subp. 1a. **Limousine operator responsible.** A limousine operator is responsible for ensuring that all drivers it retains, including employees, independent contractors, and leased drivers, comply with the requirements in this chapter.

**Justification for part 8880.0300, subp. 1a:** The Department regulates limousine operators and their drivers. The addition of this subpart is needed to clarify the relationship between limousine operators and their drivers regardless of their employment relationship. The limousine operator obtains and maintains the limousine permit and secures the required insurance; therefore, it is reasonable to assign responsibility for the compliance of its drivers to the limousine operator.

Subp. 2. **Inspection and decal required.** No person may operate a limousine providing limousine service ~~unless the limousine~~ until the limousine has passed an inspection as required by part 8880.1100 and displays a valid limousine identification decal as required in part 8880.0700, subpart 3.

**Justification for part 8880.0300, subp. 2:** The change to part 8880.0300, subpart 2, is needed and reasonable because it clarifies that, in addition to displaying a valid limousine identification decal, the

vehicle must pass the required inspection prior to use. The inspection ensures that the vehicle is not in a condition likely to cause an accident or a breakdown or is otherwise unsafe.

**Subp. 2a. Inspection disclosure.** In accordance with the Infrastructure Investment and Jobs Act, Public Law 117-58, the limousine operator must prominently disclose in a clear and conspicuous notice, including on the website of the operator if the operator has a website, the following, as applicable:

- A. the date of the most recent inspection of the limousine required under state or federal law;
- B. the results of the inspection; and
- C. any corrective action taken by the limousine operator to ensure the limousine passed inspection.

**Justification for part 8880.0300, subp. 2a:** The new language in subpart 2a is needed and reasonable because it conveys requirements now contained in federal law.

**Subp. 3. Insurance required.** The insurance requirements in Minnesota Statutes, sections 168.128 and 221.141, and parts 8855.0300, 8855.0400, 8855.0700, and ~~8855.0600 to 8855.0850~~ 8855.0800 apply to a limousine operator. For purposes of this subpart, “motor carrier,” as used in Minnesota Statutes, section 221.141, and parts 8855.0300, 8855.0400, 8855.0700, and ~~8855.0600 to 8855.0850~~ 8855.0800, means a limousine operator. No person may operate a limousine providing limousine service until the ~~person~~ limousine operator complies with the insurance requirements described in this subpart.

**Justification for part 8880.0300, subp. 3:** The first amendment is to change the reference from “8855.0600 to 8855.0850” to “8855.0700 and 8855.0800.” Parts 8855.0600 and 8855.0850 were repealed in 2010 which leaves parts 8855.0700 and 8855.0800 as valid references. The change is needed reasonable to reflect the current rule structure.

The second amendment to this subpart is to change the term “person” to “limousine operator.” The limousine operator is responsible for complying with the insurance requirements, however, the person operating the limousine (i.e., the driver) may not be the limousine operator. It is needed and reasonable to clarify who is responsible for complying with insurance requirements.

**Subp. 4. Advertising restrictions.** A limousine operator ~~shall~~ must conspicuously display its permit number in all advertisements or information that calls attention to or describes services offered by the limousine operator publications, including but not limited to brochures, business cards, and the operator’s website or other online communications. No person, other than a limousine operator with a



valid permit, may use in a name or in advertisements or ~~information describing a service the person provides~~ publications:

- A. the words “limousine” or “limousine service”; or
- B. the words “licensed and insured” if those words are used in a way that suggests or implies that a service is provided by a limousine operator with a valid permit.

**Justification for part 8880.0300, subp. 4:** The addition of the word “all” to the first sentence was suggested by a stakeholder to clarify that the permit number must appear in all advertisements or publications not just some.

The second change is intended to require the permit number on the types of advertising or publications that the limousine operator has control over. The changes are reasonable because limousine operators can control their own advertisements and publications, such as their website and brochures, but they do not have control over telephone directories and third-party websites such as Angie’s List.

Subp. 5. **Use of unauthorized name prohibited.** A limousine operator ~~may~~ must not provide limousine service under a name other than the name under which a permit was obtained.

Subp. 6. **Fares and records.** A limousine operator ~~shall~~ must charge a fare greater than a taxicab fare for a comparable trip. A limousine operator ~~shall~~ must maintain a record of each trip provided under its permit and the fare charged for the trip. The record must meet the requirements of part 8880.1000, subpart 2.

Subp. 8. **Leased vehicles and drivers.** A limousine operator may lease a vehicle from the vehicle's owner and use it to provide limousine service under the lessee's permit. Both the lessor and the lessee ~~shall~~ must keep one signed copy of a written lease and a copy must be kept in the leased vehicle at all times during the term of a lease. A lease may include the services of a driver. A lease must state:

- A. the names of the lessor and lessee;
- B. the date and duration of the lease;
- C. the terms of compensation to be paid by the lessee to the lessor;
- D. the vehicle's vehicle identification number and that the lessee has exclusive possession, control, and use of the vehicle and is considered the owner of the vehicle for the

duration of the lease for all purposes, including compliance with parts 8880.0300 to 8880.1300; and

- E. if the lease includes the services of a driver, that the lessee assumes the responsibility of determining that the driver meets the qualifications in part 8880.0800 and ~~shall~~must keep the records required in part 8880.1000, subpart 5.

A lessor ~~may~~ must not exercise control over fares charged. The provision of limousine service, including advertisements and arrangements for service, must be conducted by, and in the name of, the lessee only. A lessee or lessor ~~may~~ must not represent, imply, or suggest that limousine service is being offered or provided by the lessor.

Subp. 9. **Solicitation prohibited.** A limousine operator, its agents, or its employees, ~~may~~ must not solicit passengers in person to provide limousine service at the time of, or shortly after, the solicitation. This subpart does not prohibit a limousine operator from advertising the service it provides in the normal course of business.

**Justification for part 8880.0300, subps. 5, 6, 8 and 9:** The changes to subparts 5, 6, 8, and 9 are housekeeping in nature.

Subp. 10. **Adjustment of limousine value.** The dollar value imposed by part 8880.0100, subpart 12, item C, must be adjusted by the commissioner on a biennial basis according to the requirements of this subpart and published on the department's website.

- A. In November of each even-numbered year, the commissioner must obtain from the Federal Register the percentage change in the Consumer Price Index published by the secretary of labor for October of the preceding federal fiscal year and October of the federal fiscal year in which the publication is made.
- B. If in any fiscal year the percentage change indicates an increase in the Consumer Price Index, as determined under item A, then the dollar value imposed by part 8880.0100, subpart 12, item C, for the subsequent fiscal year must be equal to the dollar value increased by the percentage change, rounded off to the nearest \$500 increment.
- C. If in any fiscal year the percentage change does not indicate an increase in the Consumer Price Index, as determined under item A, then the dollar value imposed by part 8880.0100, subpart 12, item C, remains the same.

For purpose of this subpart, "Consumer Price Index" means the Consumer Price Index for All Urban Consumers, published monthly by the United States Department of Labor, Bureau of Labor Statistics.

**Justification for part 8880.0300, subp. 10:** The definition of “luxury passenger automobile” includes a value. To ensure the rules remain current and meaningful, the value of a luxury passenger vehicle must be periodically updated. The language for this subpart mirrors language in Minnesota Rule part 3325.0250, subpart 2, which requires expenditure limitations for low vision services and rehabilitation technology for independent living eligible individuals to be adjusted on an annual basis. It is reasonable to mirror language already adopted in Minnesota Rules for a similar requirement for adjustment of value.

## **PART 8880.0400 - LIMOUSINE SERVICE PERMIT APPLICATION; FEES**

Subpart 1. **Forms.** Application for a permit or temporary permit must be made on forms provided by the commissioner. ~~Application forms may be obtained from the Minnesota Department of Transportation, Office of Motor Carrier Services, Minnesota Administrative Truck Center, 100 Stockyards Road, South, Saint Paul, Minnesota 55075. Completed applications must be returned submitted to that the Office of Freight and Commercial Motor Vehicle Operations.~~

**Justification for part 8880.0400, subp. 1:** The changes to 8880.0400, subpart 1, are needed and reasonable to remove outdated and confusing language. Applications may be electronic and don’t necessarily need to be obtained from a specific office. Applications must now be submitted to the Office of Freight and Commercial Vehicle Operations.

Subp. 2. **Information required.** Applicants for a permit ~~shall~~ or temporary permit must give the following information to the commissioner:

- A. the applicant’s name, including an assumed or fictitious name used by the applicant in doing business;
- B. the applicant’s mailing address and business telephone number;
- C. the name, title, email address, and primary and secondary telephone number-numbers of the individual who is responsible for the day-to-day operation of the limousine service;
- D. the principal location from which the applicant conducts its business and where the records required by part 8880.1000 will be kept;
- E. if different from item D, the location in Minnesota where the records required by part 8880.1000 will be available for inspection and copying;
- F. whether the applicant’s business is a corporation, partnership, limited liability company, or sole proprietorship;

- G. the names of corporate directors and officers, general partners, limited liability company board members, or owners of the applicant's business;
- H. whether the applicant or an applicant's corporate directors or officers, general partners, limited liability company board members, or owners of the applicant's business is a permit holder;
- I. whether the applicant or an applicant's corporate directors or officer, general partners, limited liability company board members, or owners of the applicant's business has had a permit revoked during the preceding year and, if so, the number of the revoked permit; ~~and~~
- J. if the applicant is a foreign corporation authorized to transact business in Minnesota, the name and address of its registered agent; and
- K. the business identification number assigned by the United States Department of Transportation, Federal Motor Carrier Safety Administration. If the applicant has not yet obtained a business identification number, the applicant must apply for the number at the time of application and promptly provide the number to the department when received.

**Justification for part 8880.0400, subp. 2:** The change to 8880.0400, subpart 2, item C, requires the applicant to supply an email address and two telephone numbers for the individual responsible for the day-to-day operation of the limousine service. It is needed and reasonable to require this information so the operator can be easily contacted.

The addition of item K requires the applicant to provide the business identification number assigned by the US DOT. This requirement provides consistency among the Department's passenger transportation programs. Minnesota Statutes §221.0252 and 49 CFR §368.3T both require motor carriers to complete the federal MCS-150 form which requires a Federal Employer Identification Number or Social Security Number (i.e., business identification number). Including this identification number is needed and reasonable because it ensures that multiple licenses are not issued to one entity.

Subp. 3. **Signature required.** An application must be signed only by a corporate officer, general partner, limited liability company board member or sole proprietor. ~~A signature must be notarized.~~

**Justification for part 8880.0400, subp. 3:** The change to 8880.0400, subpart 3, removes the requirement for notarization of the application. The change is needed and reasonable because the Department is moving toward an online application process where it will not be efficient or necessary for the application to be notarized.

Subp. 4. **Workers' compensation coverage.** The applicant ~~shall~~must file with the application a statement that shows compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes, section 176.181, subdivision 2. The statement must be on a form prescribed by the commissioner or on a form substantially the same as the commissioner's prescribed form.

**Justification for part 8880.0400, subp. 4:** The change to subpart 4 is housekeeping in nature.

## **PART 8880.0500 - LIMOUSINE SERVICE PERMIT**

Subpart 1. **Issuance of permit.** The commissioner ~~shall~~must issue a permit to an applicant who meets the requirements in part 8880.0400, except the commissioner ~~may~~must not issue:

- A. a permit to an applicant if the applicant or an applicant's corporate directors or officers, general partners, limited liability company board members, or owners of the applicant's business had a permit revoked during the preceding year; or
- B. more than one permit to a limousine operator.

A permit must be numbered and bear an effective date.

**Justification for part 8880.0500, subpart 1:** The change to this subpart is housekeeping in nature.

Subp. 3. **Duration.** A permit is valid ~~until~~ for one year from the date of issuance, unless the permit is suspended, canceled, or revoked or the permit holder sells its limousine business. If the permit holder is a corporation, a transfer of more than 50 percent of the corporation's outstanding stock, individually or in aggregate, constitutes a sale of the business. Permits must be renewed on an annual basis using forms provided by the commissioner. Annual renewals are not subject to the permit fee in part 8880.0400, subpart 5.

**Justification for part 8880.0500, subp. 3:** In response to the 2020 Legislative Auditor's Special Review addressing State Regulation of For-Hire Passenger Transportation, permits must be renewed annually rather than being valid indefinitely. Without a renewal requirement, the Department cannot keep accurate records about which providers are offering service and which are not. The requirement for annual renewal is similar to the renewal language in the Special Transportation Service rules (Minnesota Rule part 8840.5525) and the Household Goods Mover statute (Minnesota Statute 221.131) which is reasonable to ensure consistency with other commercial vehicle programs administered by the Department. The Department has never collected an annual permit fee for limousines in the past and does not have the authority to collect such a fee. Additionally, there is not an annual renewal fee for STS or Household Goods Movers. Therefore, it is reasonable to state that renewals for limousines permits are not subject to the permit fee in part 8880.0400, subpart 5, and is needed for clarity.

The language that has been removed regarding what constitutes the sale of a business is a holdover from when licenses used to be transferred. The language is obsolete because licenses are no longer transferred.

Finally, the word “canceled” was added to cover circumstances in which the permit holder ceases offering limousine services but does not sell the business as a reason for which someone may choose not to renew.

Subp. 5. **Records.** The commissioner ~~shall~~must keep a record of permits showing the date issued, suspended, or revoked.

**Justification for part 8880.0500, subp. 5:** The change to subpart 5 is housekeeping in nature.

Subp. 6. **Permit holder to keep information current.** A permit holder ~~shall~~must:

A. notify the commissioner in writing within ten days of any change in the information provided in its permit application; and

B. update the information provided to the United States Department of Transportation, Federal Motor Carrier Safety Administration within ten days of any change in the information provided to that agency when obtaining a federal identification number.

**Justification for part 8880.0500, subp. 6:** The change to 8880.0500, subpart 6, adds a ten-day deadline for supplying the Department with a change in information. This is needed because, without a deadline, permit holders have no incentive to keep their information up to date. Ten days is reasonable because it is consistent with the language provided in part 8840.5500, subpart 7 pertaining to Special Transportation Service. Consistency is important because it promotes uniformity across the Department’s passenger transportation programs.

The addition of item B corresponds to the addition of item K in part 8880.0400, subpart 2 and ensures that information provided to the US DOT regarding the federal identification number remains current. The Department sometimes relies on the information provided to the US DOT, and it is therefore needed and reasonable to require that this information also be kept up to date.

**Subp. 7. Temporary Limousine Service Permit.** For special events, the commissioner must issue a temporary permit to an operator who does not possess an active limousine permit, meets the requirements under part 8880.0400, subparts 1 to 4, and obtains a temporary limousine identification decal under part 8880.0700, subpart 5a. The commissioner must not issue a temporary permit to an operator who has had a limousine permit revoked or suspended within the 12 months preceding application for a temporary permit. An operator who possesses an active limousine permit may temporarily add a vehicle to its fleet by obtaining a temporary limousine identification decal for the

vehicle under part 8880.0700, subpart 5a. The fee to obtain a temporary permit is \$20. A temporary permit is valid for ten days and must not be transferred or renewed.

**Justification for part 8880.0500, subp. 7:** Minnesota Statutes §221.84, subd. 2(b)(6), requires the Department to develop rules about the issuance of temporary permits and temporary permit fees. The language in this subpart is needed because it provides requirements and limitations for issuance of a temporary limousine service permit. The language allows temporary permits for special events (such as the Super Bowl, national political conventions, Final Four tournament, large fishing competitions, etc.) and limits the validity to ten days. The requirements are reasonable because they allow operators without active permits to obtain temporary permits and temporary decals for special events and allow operators with active permits to obtain temporary decals for additional vehicles.

A fee of \$20 for a temporary permit is reasonable because the permit is for a limited duration and the full \$150 permit fee should be reduced.

## **PART 8880.0600 - LIMOUSINE IDENTIFICATION DECAL APPLICATION; FEES**

Subpart 1. **Forms.** Application for a limousine identification decal or temporary limousine identification decal must be made on forms provided by the commissioner. ~~Application forms may be obtained from the Minnesota Department of Transportation, Office of Motor Carrier Services, Minnesota Administrative Truck Center, 100 Stockyards Road, South Saint Paul, Minnesota 55075.~~ Completed applications must be ~~returned~~ submitted to that the Office of Freight and Commercial Motor Vehicle Operations.

**Justification for part 8880.0600, subp. 1:** The changes to 8880.0600, subpart 1, are needed and reasonable because they remove outdated and confusing language. Applications may be electronic and don't necessarily need to be obtained from a specific office. Applications must now be submitted to the Office of Freight and Commercial Vehicle Operations.

Subp. 2. **Information required.** Applicants for a limousine identification decal ~~shall give or temporary~~ limousine identification decal must provide the following information to the commissioner:

- A. the applicant's name, including an assumed or fictitious name used by the applicant in doing business;
- B. the applicant's mailing address and business telephone number;
- C. the applicant's permit number;
- D. the name, title, email address, and primary and secondary telephone numbers of the individual who is responsible for the day-to-day operation of the limousine service;

- E. the state and license plate number of vehicle registration;
- F. the vehicle identification number;
- G. the vehicle year and make; and
- H. a representation that the motor vehicle is a luxury passenger automobile as described in part 8880.0100, subpart 12. If the applicant states that the vehicle is the kind of luxury passenger automobile described in part 8880.0100, subpart 12, item B, the commissioner may require a copy of the manufacturer's sales or promotional material before issuing a limousine identification decal and the applicant must keep a copy of the sales or promotional material in the vehicle's record described in part 8880.1000, subpart 4.

**Justification for part 8880.0600, subp. 2:** The change to 8880.0600, subpart 2D, requires the applicant to supply an email address and two telephone numbers for the individual responsible for the day-to-day operation of the limousine service. It is needed and reasonable to require this information so the operator can be easily contacted.

The changes to subpart 2H clarify where the definition of a luxury passenger automobile is found and is reasonable because it mirrors the language in the definition about sales and promotional material.

## **PART 8880.0700 - LIMOUSINE IDENTIFICATION DECAL**

Subpart 1. **Issuance of decal.** The commissioner ~~shall~~ must issue a limousine identification decal to an applicant who has a valid permit, ~~who~~ meets the inspection requirement in part 8880.0300, subpart 2; has the insurance coverage required in part 8880.0300, subpart 3 $\frac{1}{2}$  and ~~who~~ meets the requirements in part 8880.0600.

**Justification for part 8880.0700, subp. 1:** The change to 8880.0700, subpart 1, is needed and reasonable because it clarifies that the vehicle must pass inspection before a limousine identification decal is issued.

### **Subp. 5a. Temporary Limousine Identification Decal.**

- A. For special events or exceptional circumstances, the commissioner must issue a prepaid temporary limousine identification decal to a limousine operator who possesses an active or temporary permit for a fee of \$5 per decal. The vehicle must meet the inspection requirement in item B, and an operator must apply for a temporary limousine identification decal pursuant to part 8880.0600, subparts 1 to 3.



- B. The vehicle must have been inspected under part 8880.1100 within the previous 12 months and not found to be in a condition likely to cause an accident or a breakdown or to be otherwise unsafe. If the vehicle is found to be likely to cause an accident or a breakdown or is otherwise unsafe, the operator must submit written evidence that the violation has been remedied before the department will issue the temporary limousine identification decal.
- C. The temporary limousine identification decal must be preprinted by the commissioner with the operator's name, address, vehicle identification number, permit number, and dates the decal is valid.
- D. The temporary limousine identification decal is valid for a period of not more than ten days, must not be transferred, and must not be used unless the operator possesses an active or temporary permit. A limousine operator possessing a permit that is not temporary may request a renewal of the temporary limousine identification decal for an additional ten days if exceptional circumstances extend beyond ten days. A limousine must not be operated under a temporary limousine identification decal for more than 20 consecutive days in a calendar year.

**Justification for part 8880.0700, subp. 5a:** Minnesota Statutes §221.84, subd. 2(b)(6) requires rules about the issuance of temporary permits and temporary permit fees. The issuance of temporary permits is addressed in part 8880.0500, subpart 7 and requires that the operator obtain an accompanying temporary limousine identification decal. A fee of \$5 for a temporary decal is reasonable because it is consistent with the temporary vehicle identifier (cab card) for motor carrier passenger service under Minn. Stat. §221.132, another commercial vehicle program administered by the Department. The language in 8880.0700, subpart 5a, is needed because it provides the requirements and restrictions for temporary limousine identification decals. Holders of temporary permits may not extend the validity of a temporary limousine identification decal beyond ten days. The rule is reasonable because holders of active permits may request renewal of a temporary limousine identification decal beyond ten days for exceptional circumstances.

Subp. 6. **Records.** The commissioner ~~shall~~ must keep a record of limousine identification decals issued.

**Justification for part 8880.0700, subp. 6:** The change to subpart 6 is housekeeping in nature.

## **PART 8880.0800 - DRIVER QUALIFICATIONS**

Subp. 3. **Evidence of physical qualification.** Before driving a limousine providing limousine service, a driver must have a valid medical examiner's certificate under Code of Federal Regulations,

title 49, section 391.43, which is incorporated by reference, certifying that the driver meets the requirements in subpart 2. A copy of the medical examiner's certificate must be given to the limousine operator who employs the driver and must be in the driver's possession while operating a limousine. ~~A limousine operator must keep a copy of the certificate showing that a driver meets the requirements of subpart 2.~~

**Justification for part 8880.0800, subp. 3:** The changes to 8808.0800, subpart 3 are needed and reasonable because they:

- A. clarify that the medical examiner's certificate is certifying that the driver meets the physical qualification requirements specified in subpart 2;
- B. clarify that the certificate must be in the driver's possession while operating the limousine; and
- C. remove the last sentence of the subpart because it is redundant.

Subp. 4. **Waiver for of physical defects qualification.** A person who is not physically qualified to drive under Code of Federal Regulations, title 49, section 391.41, paragraph (b), clause (1) or (b)(2), and who is otherwise qualified to drive a motor vehicle, may drive a limousine providing limousine service if the commissioner grants a waiver to that person under ~~parts 8850.7250 to 8850.7675~~ For purposes of this subpart, the term "carrier," as used in parts 8850.7250 to 8850.7675, means a limousine operator. The following do not apply to a driver who applies for a waiver; parts 8850.7300, item B, subitems (2) and (3), and item D; 8850.7350, items E and F; 8850.7400, item A; and 8850.7600, item E Minnesota Statutes, section 221.0314, subdivisions 3 or 3a, or if that person meets the requirements in Minnesota Statutes, section 221.0314, subdivision 3b. A copy of the waiver must be given to the limousine operator who employs the driver and must be in the driver's possession while operating a limousine. ~~The commissioner may revoke a waiver only after the person to whom it was granted is given notice of the proposed revocation and has been allowed an opportunity for hearing under Minnesota Statutes, chapter 14. Falsifying information in the waiver application, information in the renewal application, or information required by a medical evaluation, by either the applicant or limousine operator, is prohibited.~~

**Justification for part 8880.0800, subp. 4:** The changes to the title of 8880.0800, subpart 4, are housekeeping in nature. Additional changes are needed and reasonable because they:

- A. clarify that that the waiver is granted under Minnesota statute not administrative rule and remove the references to the administrative rule;
- B. require that the driver be in possession of the waiver document while operating a limousine;

- C. remove the language about revocation of the waiver because it is covered by Minnesota Statutes, chapter 14; and
- D. remove the statement that falsifying information is prohibited because that is inherent, and the language is unnecessary.

Subp. 5. **Driving record.** A driver must, for the past three years, have a driving record clear of:

- A. a license cancellation under Minnesota Statutes, section 171.14; a revocation under Minnesota Statutes, sections 169A.52 and 171.17; and a suspension under Minnesota Statutes, section 171.18, subdivision 1, paragraph (a), clause (2), (3), (4), (5), (7), or (11);
- ~~B. a conviction for operating a motor vehicle without insurance under Minnesota Statutes, section 169.797;~~
- ~~C. a conviction for driving a motor vehicle without a currently valid license for the class of vehicle driven under Minnesota Statutes, section 171.02;~~
- ~~D. a conviction for driving under the influence of alcohol or a controlled substance under Minnesota Statutes, section 169A.20, or an ordinance that conforms to that section; alcohol-related driving by commercial vehicle drivers under Minnesota Statutes, section 169A.20; and driver's license revocations under Minnesota Statutes, section 169A.51 to 169A.53 and~~
- ~~E. a conviction for alcohol-related driving by a commercial vehicle driver under Minnesota Statutes, section 169A.20, subdivision 1, clause (6).~~
- D. a conviction in any other state or country where the elements of the offense are substantially similar to any of the offenses listed in items A through C.

**Justification for part 8880.0800, subp. 5:** The modifications to item A remove the need to issue variances for failing to appear in court or pay a fine and makes the language consistent with the Special Transportation Service (STS) rules. The changes to the original language in items B through E mirror the language in the STS rules (8840.5900, subpart 11, item C). The Department seeks to develop consistency across its regulation of all for-hire passenger transportation programs which is reasonable because consistency allows the Department to develop enforcement tools to use across programs with similar objectives and aids investigators in their work.

The addition of the new language in item D clarifies that convictions for similar offenses in other states or countries are also prohibited. This is needed and reasonable because offenses in other states or

countries should have the same consequences as similar offenses to Minnesota Statutes. This ensures that drivers from other states and countries are treated the same as those driving in Minnesota.

Subp. 6. **Criminal record.** A driver must have a criminal record clear of any conviction in which the last date of discharge from the criminal justice system is within the last ten years:

- A. as a habitual offender for driving under the influence of alcohol or a controlled substance under Minnesota Statutes, section 169A.24 or 169A.25; ~~and~~
- B. of a crime or anticipatory crime against persons, or a crime or anticipatory crime reasonably related to the provision of limousine services. The following offenses are crimes against persons or are reasonably related to the provision of limousine services, or both, and are listed with the section, subdivision, or chapter number showing where the offense is found in Minnesota Statutes:
  - (1) attempts, 609.17;
  - (2) conspiracy, 609.175;
  - (3) murder in the first degree, 609.185;
  - (4) murder in the second degree, 609.19;
  - (5) murder in the third degree, 609.195;
  - (6) manslaughter in the first degree, 609.20;
  - (7) manslaughter in the second degree, 609.205;
  - (8) criminal vehicular homicide and injury, 609.2112, 609.2113, or 609.2114, ~~or Minnesota Statutes 2012, section 609.21;~~
  - (9) assault in the first degree, 609.221;
  - (10) assault in the second degree, 609.222;
  - (11) assault in the third degree, 609.223;
  - (12) assault in the fourth degree, 609.2231;
  - (13) great bodily harm caused by distribution of drugs, 609.228;
  - (14) use of drugs to injure or facilitate crime, 609.235;

- (15) simple robbery, 609.24;
  - (16) aggravated robbery, 609.245;
  - (17) kidnapping, 609.25;
  - (18) false imprisonment, 609.255;
  - (19) abduction, 609.265;
  - (20) labor or sex trafficking, 609.282 or 609.283;
  - (21) solicitation, inducement, and promotion of prostitution; sex trafficking, 609.322;
  - ~~(20)~~ (22) criminal sexual conduct in the first degree, 609.342;
  - ~~(21)~~ (23) criminal sexual conduct in the second degree, 609.343;
  - ~~(22)~~ (24) criminal sexual conduct in the third degree, 609.344;
  - ~~(23)~~ (25) criminal sexual conduct in the fourth degree, 609.345;
  - (26) criminal sexual predatory conduct, 609.3453;
  - ~~(24)~~ (27) solicitation of children to engage in sexual conduct, 609.352;
  - ~~(25)~~ (28) fleeing a peace officer in a motor vehicle, 609.487;
  - (29) theft, felony conviction, 609.52;
  - (30) identity theft, felony conviction, 609.527;
  - ~~(26)~~ (31) misusing credit card to secure services, 609.545;
  - ~~(27)~~ (32) burglary, 609.582, subdivision 1; ~~or~~
  - (33) harassment; stalking, 609.749; and
  - ~~(28)~~ (34) prohibited drugs; felony convictions, chapter 152-; or
- C. in any other state or country within the past ten years where the elements of the offense are substantially similar to any of the offenses listed in items A or B.

For purposes of this subpart, “last date of discharge” means the last date an individual was under the jurisdiction of the criminal justice system, including but not limited to probation, parole, supervised release, or an executed sentence. If an individual falls into more than one category resulting in more than one relevant discharge date, the last date of discharge refers to the most recent date.

***Justification for part 8880.0800, subp. 6:*** The first change to subpart 6 is to define the timeframe that applies to a criminal record. The language was originally part of the definition in part 8880.0100 but more appropriately belongs in this section. In addition to moving from the definition to this subpart, the amount of time that “criminal record” refers to is increasing from a last date of discharge within the last five years to a last date of discharge within the last ten years. The change from five years to ten years aligns with the Code of Federal Regulations, which states that “[a] State may reinstate any driver disqualified for life for offenses...after 10 years, if that person has voluntarily entered and successfully completed an appropriate rehabilitation program approved by the State.” It is reasonable for the rules to align with federal rules. It is also reasonable for the protection of the public to require that ten years elapses because discharge within merely the previous five years is very recent and does not convincingly demonstrate that the individual has been deterred from committing additional disqualifying crimes.

The first change to item B, is to remove the reference in subitem (8) to a statute that is no longer in effect.

The second change to item B adds crimes against persons and those reasonably related to providing limousine services to the list of convictions that are prohibited. There is evidence and data showing that passenger transportation provides an opportunity for crimes against persons (i.e., sex trafficking, harassment, theft, and identity theft) because limousines create a private space with limited visibility. Additionally, US DOT recognizes that human trafficking occurs in commercial vehicles, including limousines. It is needed and reasonable to include these convictions in the list of offenses that drivers must be free from.

The addition of language to item C clarifies that convictions for similar offenses in other states or countries are also prohibited. This is needed and reasonable because offenses in other states or countries should have the same consequences as similar offenses to Minnesota Statutes.

Finally, the last paragraph of subpart 6 defines the “last date of discharge.” It refers to the last date that the individual was under the jurisdiction of the criminal justice system. This includes, but is not limited to, probation, parole, supervised release, or an executed sentence. In instances where an individual may fall into several of these categories, resulting in more than one relevant date, the “last date of discharge” refers to the most recent date. The calculation of the ten-year disqualification period does not begin until the individual is no longer under the jurisdiction of the criminal justice system. It is needed and reasonable to clarify the “last date of discharge” in the rules.

Subp. 7. **Responsibility of limousine operator.** Before using a driver to provide limousine service, a limousine operator ~~shall~~ must determine if the driver meets the standards in this part. In determining whether a driver meets the standards in subparts 5 and 6, a limousine operator ~~shall~~ must conduct an initial review of the driving and criminal record of a driver. The review must be conducted annually after hiring. The initial and annual review must include an examination of the records of the Department of Public Safety, Division of Driver and Vehicle Services, to determine if the driver meets the standards in subpart 5. The initial and annual review also must include an examination of the conviction records of the Minnesota Bureau of Criminal Apprehension to determine if the driver has a criminal record of conviction for a crime listed in subpart 6.

**Justification for part 8880.0800, subp. 7:** The change to subpart 7 is housekeeping in nature.

Subp. 8. **Evidence of compliance.** A limousine operator ~~shall~~ must keep a record showing compliance with subpart 7 ~~The record must meet the requirements of part 8880.1000, subpart 5, item D on a form prescribed by the commissioner or on a form that contains the same information.~~

**Justification for part 8880.0800, subp. 8:** The changes to subpart 8 are needed because many limousine operators are not documenting compliance with the reviews required by subpart 7. The language is reasonable because the commissioner will provide a form with the required information. The limousine operator may choose to use that form or create their own form with the same information. The last sentence in subpart 8 is no longer needed because the requirements will be included on the form provided by the commissioner.

Subp. 9. **Unqualified driver prohibited.** A limousine operator ~~may~~ must not use a driver to provide limousine service who does not meet the standards in this part.

**Justification for part 8880.0800, subp. 9:** The change to subpart 9 is housekeeping in nature.

Subp. 10. Notification. A driver who:

- A. has a driver's license suspended, revoked, or canceled by a state or other jurisdiction;
- B. no longer meets the qualifications to drive a limousine under subparts 1 through 6;
- C. loses the right to operate a commercial motor vehicle in a state or other jurisdiction for any period; or
- D. is disqualified from operating a commercial motor vehicle for any period

must notify the current employer of the suspension, revocation, cancellation, lost privilege, conviction, or disqualification. The notification must be made before the end of the business day

following the day the driver received notice of the suspension, revocation, cancellation, lost privilege, conviction, or disqualification.

**Justification for part 8880.0800, subp. 10:** It is reasonable to require a driver to notify the current employer of the driver's license suspension, revocation, or cancellation, loss of required qualifications to drive a limousine under these rules, or the driver's disqualification or loss of right to operate a commercial motor vehicle so that the employer is aware of the driver's change in status. This language is needed to help protect the public health, safety, and welfare by ensuring that drivers without the appropriate license do not operate limousines. The language is reasonable because it mirrors the language in the Code of Federal Regulations (49 CFR §383.33).

## **PART 8880.0900 - VEHICLE REQUIREMENTS**

Subpart 1. **Operation.** A limousine operator ~~may~~ must not cause or permit a limousine to be driven, and a driver ~~may~~ must not drive a limousine on the public highway, when ~~its mechanical condition is so imminently hazardous that it is likely to contribute to a loss of control of the vehicle or the vehicle is in a condition that is likely to cause an accident or a breakdown or is otherwise unsafe.~~ The “North American Uniform Vehicle Out-of-Service Criteria,” adopted in Minnesota Statutes, section 221.031, subdivision 9, must be followed in determining whether a limousine’s mechanical condition is so imminently hazardous that it is likely to contribute to a loss of control of the limousine or The operator must follow the “Minnesota Vehicle Requirements for Special Transportation Services and Limousines” to determine whether a vehicle is in a condition that is likely to cause an accident or a breakdown or is otherwise unsafe. A limousine providing limousine service must be operated in compliance with the provisions of Minnesota Statutes, chapter 169, and other laws governing the operation of motor vehicles and with the rules or ordinances of a political subdivision relating to routing, parking, speed, or the safety or operation of a motor vehicle.

**Justification for part 8880.0900, subp. 1:** The first change is regarding the safety of a vehicle. The word “imminent” in the current language is a term that suggests that the condition of the vehicle will definitely cause loss of control, an accident, or a breakdown. The term “likely” means that history has shown that the condition has caused an accident or breakdown and would be likely to happen again.

Changing the phrasing of this subpart is needed to allow inspectors to identify conditions that would likely cause an accident or a breakdown rather than the inspectors having to be certain that the condition would cause an accident or a breakdown. This change is important to provide the Department with greater latitude to take action to prevent accidents. The need for a robust regulatory structure around safety was brought into sharp relief in October 2018, when a horrific limousine crash in Upstate New York resulted in the deaths of 20 people. The limousine had failed a safety inspection a month prior to the crash and the owner had been told not to use the vehicle. At the time of the



accident, neither the driver nor the vehicle was in compliance with the applicable state regulations. Had the vehicle been brought into compliance as required, the fatal accident could likely have been avoided. Although the Department cannot ensure that all companies will adhere to State requirements, the adoption and enforcement of these requirements increases the odds that vehicles will remain in a safe operating condition and fatalities such as those in New York will be avoided.

The second change replaces the “North American Uniform Vehicle Out-of-Service Criteria” with a MnDOT-specific document. The change is needed because the “North American Uniform Vehicle Out-of-Service Criteria” is difficult for carriers to find and refer to. The Department has developed its own Minnesota Vehicle Requirements for Special Transportation Services and Limousines with an easy-to-understand grading system for conditions that are likely to cause an accident or a breakdown or are otherwise unsafe.

The criteria in the Department’s document is reasonable because its development is based on the following valid and reliable sources:

- the conditions in the North American Uniform Vehicle Out-of-Service Criteria;
- Minnesota Statutes, Chapter 169, “Traffic Regulations;”
- best practices of other states;
- the Department’s own experience with limousine inspections; and
- data on violations.

Finally, the last change to this subpart is to add the phrase “and other laws” to the last sentence in reference to laws that limousines must comply with. This change is needed and reasonable to clarify that Chapter 169 isn’t the sole source of requirements for operation of a limousine. An example of “other law” governing operation of motor vehicles is Minnesota Statutes §168.128, regarding limousine plates.

**Subp. 1a. Incorporation by Reference.** “Minnesota Vehicle Requirements for Special Transportation Services and Limousines,” dated February 3, 2023, is incorporated by reference. The document is written and published by the Minnesota Department of Transportation. The document is not subject to frequent change and is available at the department's office, located at 395 John Ireland Boulevard, St. Paul, MN 55155, and on the department’s website.

***Justification for part 8880.0900, subp. 1a:*** Subpart 1a is needed to incorporate the document described in subpart 1. The document replaces the North American Vehicle Out-of-Service Criteria and is used to determine when a vehicle is in a condition that is likely to cause an accident or a breakdown or is otherwise unsafe.

Subp. 5. **Inspections.** A limousine operator ~~shall~~ must conduct, or cause to be conducted, the following safety inspections:

A. for each day a limousine operator uses a limousine, an inspection of the vehicle's:

- (1) coolant level;
- (2) lights, turn signals, and hazard flashers;
- (3) tires;
- (4) windshield wipers and washer fluid;
- (5) inside and outside mirrors;
- (6) fuel level;
- (7) horn; and
- (8) safety equipment; and

B. an annual inspection of a limousine's:

- (1) brake system, including master cylinder, shoes, linings, pads, drums or rotors, hoses, tubing, warning devices, and the parking brake mechanism;
- (2) exhaust system, including exhaust manifolds, muffler, pipes, and catalytic converter;
- (3) fuel system, including fuel pump or injector, tank, hoses, and tubing;
- (4) steering mechanism, including steering wheel movement, steering column, front axle beam, gear box, power assist cylinder, ball and socket joints, tie rods, and steering arm;
- (5) suspension, including springs, shock absorbers, and torsion bars; and
- (6) frame members.

**Justification for part 8880.0900, subp. 5:** The change to subpart 5 is housekeeping in nature.

Subp. 6. **Inspection records.** A limousine operator ~~is not required to~~ must maintain a record of daily inspections ~~but must maintain a record of~~ and annual inspections. The ~~record~~ records must be kept on a ~~form~~ forms prescribed by the commissioner or on a ~~form substantially the same as the~~

~~commissioner's prescribed form~~ forms that contain the same information and must meet the requirements of part 8880.1000, subpart 4.

**Justification for part 8880.0900, subp. 6:** The current rules do not require a record of daily inspections. However, without a daily inspection record, it is difficult for a limousine operator to prove that they have completed daily inspections. Additionally, inspectors routinely ask limousine operators what they cover during their daily inspection and have found that limousine operators are not covering everything in their daily inspections that are required by statute. Changing this subpart to require limousine operators to keep record of both daily and annual inspections on forms provided by the commissioner is needed and reasonable to protect the public safety and ensure that daily inspections include all requirements in Minnesota Statutes, sections 169.782, 221.031, and 221.0314.

## **PART 8880.1000 - RECORDS**

Subpart 1. **Records required; authority to inspect.** A limousine operator ~~shall~~ must keep the records required in subparts 2 to 5. The records must be kept at the limousine operator's principal place of business and must be available for inspection ~~and, audit, or~~ copying in Minnesota by the commissioner upon request. Records must be kept for three years.

**Justification for part 8880.1000, subp. 1:** Adding the term "audit" is needed for clarification of the process. The language is reasonable because the commissioner has the authority to inspect records or conduct a full audit of the carrier's records in accordance with Minnesota statutes and rules.

Subp. 2. **Trip and fare records.** A limousine operator ~~shall~~ must keep a record of each trip provided under a permit. For a trip, the record must show:

- A. the date;
- B. the location of origin and destination;
- C. the mileage;
- D. the time ~~it~~ the trip began and ended; and
- E. the fare charged.

Subp. 3. **Referral records.** A limousine operator ~~shall~~ must keep a record of trip referrals when required by part 8880.0300, subpart 7. For each trip referral, the record must show:

- A. the date referred;
- B. the date the trip was to be provided;

- C. the name and permit number of the limousine operator to whom the trip was referred; and
- D. the name of the customer who requested the service.

**Justification for part 8880.0100, subps. 2 and 3:** The changes subparts 2 and 3 are housekeeping in nature.

Subp. 4. **Vehicle records.** A limousine operator ~~shall~~ must keep a separate file for ~~a~~ each limousine used to provide limousine service. The file must contain the year, make, and vehicle identification number of a vehicle. The file also must contain the inspection record required by part 8880.0900, subpart 6, showing:

- A. the date and mileage of an inspection;
- B. a list of each component or item described in part 8880.0900, subpart 5, item B, and a notation of which components or items were inspected; ~~and~~
- C. a notation of necessary maintenance, repair, or replacement of vehicle parts and the date the maintenance, repair, or replacement was completed; and
- D. for limousines equipped with emergency doors or window exits as required by Code of Federal Regulations, title 49, section 571.217, a record of tests conducted every 90 days to ensure that all emergency doors and window exits function as intended by the manufacturer.

**Justification for part 8880.1000, subp. 4:** Item D has been added to ensure consistency across rules for Special Transportation Services (STS) and limousine services. Consistency is important because it promotes uniformity across the Department's passenger transportation programs. This language is helpful for the Department's employees when administering these programs and for companies that maintain multiple types of operating authority. Adding the requirement to keep the record of tests conducted to ensure that all doors and windows function properly to the inspection record is reasonable to ensure the safety of passengers.

Subp. 5. **Driver records.** A limousine operator ~~shall~~ must keep a separate file for each driver employed or used to provide limousine service. The file must contain:

- A. the name, as it appears on the driver's license, and birthdate of the driver;
- B. the driver's license number;

- C. a copy of the medical examiner's certificate required in part 8880.0800, subpart 3, and a copy of a waiver granted under part 8880.0800, subpart 4, if any; ~~and~~
- D. a statement signed by the person who conducted the most recent review of the driver's driving and criminal records as required by part 8880.0800, subpart 7. The statement must show the name of the person who checked the records, the date the records were checked, and whether the driver was found to meet the standards of part 8880.0800, subparts 5 and 6. If the driver was found not to meet the standards, the statement must show the date the driver became disqualified and the reason for the disqualification; ~~and~~  
and
- E. the documents relied on to perform the review of the driver's driving and criminal records as required by part 8880.0800, subpart 7.

**Justification for part 8880.1000, subp. 5:** The change to item A is needed to clarify that the name of the driver in his or her file must match the name on the driver's license (i.e., it cannot be a nickname).

The language in item E was added because the Department needs the documents that the limousine operator relied on when performing the review of the driver's records, not just a statement stating the checks were conducted. It is reasonable for the Department to be able to verify that operators obtained the documents and did not just check a box on a form. Additionally, the Department must be able to review the driver's records and determine whether the limousine operator missed any concerns. The documents are needed to conduct the review, determine if anything was missed, and properly educate the limousine operator on errors.

## **PART 8880.1100 - VEHICLE INSPECTION BY COMMISSIONER**

Subpart 1. **Authority to inspect.** The commissioner ~~shall annually~~ must inspect a limousine ~~for which a limousine identification decal has been issued to determine compliance with part 8880.0900. The commissioner may inspect a limousine to determine compliance with parts 8880.0300 to 8880.0900.~~ before issuing an initial limousine identification decal and at least annually thereafter. The commissioner may conduct an unannounced inspection during a limousine operator's hours of operation for compliance with parts 8880.0300 to 8880.1000 but must not do so in a way that unduly interferes with the transportation of any passengers. The commissioner may inspect the vehicle, its equipment, or any documents required to be in the vehicle or the driver's possession for compliance with parts 8880.0300 to 8880.1000 and state or federal law.

**Justification for part 8880.1100, subp. 1:** The first change to subpart 1 is needed to clarify that the commissioner must inspect a limousine before an initial limousine identification decal is issued and at least once per year after that.

The second change removes the restriction of the inspection to the requirements of part 8880.0900. It is reasonable for the commissioner to inspect and ensure that all requirements identified throughout chapter 8880, not just those in 8880.0900, are met before issuing a limousine identification decal.

The final change to this subpart is to clarify that the commissioner may conduct an unannounced inspection during the operator's hours of operation for compliance and requires that such inspection not unduly interfere with the transportation of any passengers. It is reasonable for the commissioner to be allowed to inspect a vehicle at any time to determine whether the vehicle, its equipment, or any documents comply with the rules. Unannounced inspections increase the likelihood that the limousine operator and driver will ensure they and the limousine comply with the rules at all times because they are unaware of when an inspection will occur. It is also reasonable to require that such inspections not interfere with the transportation of any passengers and that the inspection occur during the operator's hours of operation.

Subp. 2. **Inspection report.** A person inspecting a limousine under this part ~~shall~~ must provide a copy of the inspection report to the limousine operator. The report must include:

- A. the inspector's name;
- B. the limousine operator's name and permit number;
- C. the vehicle identification number, limousine identification decal number, and license plate number;
- D. the date and location of the inspection; and
- E. a description of items that do not comply with the requirements of parts 8880.0300 to ~~8880.0900~~ 8880.1000.

**Justification of part 8880.1100, subp. 2:** The change to subpart 2 is housekeeping in nature.

Subp. 3. **Limousines declared out of service.** The commissioner ~~shall~~ must direct a limousine operator to immediately remove a limousine from service ~~on~~ upon determining that ~~the mechanical condition of the vehicle is so imminently hazardous that it is likely to contribute to a loss of control of the limousine or~~ the vehicle is in a condition that is likely to cause an accident or a breakdown or is otherwise unsafe. The commissioner must use the "Minnesota Vehicle Requirements for Special Transportation Services and Limousines" incorporated by reference in part 8880.0900, subpart 1a, to make this determination. An out-of-service declaration must be included in the inspection report described in subpart 2. Once a limousine has been declared out of service, a limousine operator may return it to service only after making the repairs noted in an out-of-service declaration. In addition to

the vehicle records required by part 8880.1000, subp. 4, a limousine operator must retain records of making the repairs required by an out-of-service declaration.

***Justification for part 8880.1100, subp. 3:*** The first change is to replace the phrase, “the mechanical condition of the vehicle is so imminently hazardous that it is likely to contribute to a loss of control of the limousine or cause an accident or breakdown” with the phrase, “the mechanical condition of the vehicle is in a condition that is likely to cause and accident or a breakdown or is otherwise unsafe.” The updated language is needed and reasonable to provide clarity and allows for limousines to be declared out of service for a variety of unsafe conditions, not just those that are “imminently hazardous.” Additionally, as explained above, changing the phrasing of this subpart is needed to allow inspectors to identify conditions that would likely cause an accident or a breakdown rather than the inspectors having to be certain that the condition would cause an accident or a breakdown.

The second change specifies that the commissioner shall use the “Minnesota Vehicle Requirements for Special Transportation Services and Limousines” incorporated by reference to determine whether a vehicle is likely to cause an accident or a breakdown or is otherwise unsafe. Specifying how to make the determination ensures consistency in the application of the rule.

The final change requires the limousine operate to retain record of making the repairs required by an out-of-service declaration. This ensures that during a limousine audit or complaint investigation, the investigator can verify that the repairs were made before a limousine was returned to service.

## **PART 8880.1150 - AUDITS BY COMMISSIONER**

### **Subpart. 1. Authority to audit.**

- A. The commissioner must audit a limousine operator’s records to determine compliance with parts 8880.0200 to 8880.1100 no less than once every three years.
- B. The commissioner must conduct an audit more frequently than every three years:
  - (1) for limousine operators with a documented history of noncompliance to verify correction of violations from previous audits; or
  - (2) upon discovery of a safety-related violation that puts the vehicle in danger of breaking down or causing an accident or that poses an immediate risk of harm to the public.
- C. As time and staff resources permit, the commissioner may conduct an audit more frequently than every three years
  - (1) to verify correction of non-safety-related violations from previous audits;
  - (2) to investigate violations discovered during a roadside inspection; or

- (3) upon receipt of a complaint involving an unqualified driver, unsafe vehicle, lack of valid limousine permit or decal, or other safety-related concern.

**Justification for part 8880.1150, subp. 1:** The addition of this part was in response to a recommendation in the Legislative Auditor’s Special Review, dated June 2020 (“Report”). The Department has always conducted audits of limousine operator’s records; however, the current language does not specify how frequently the audits must be conducted and the frequency in which the Department audited records was sometimes inconsistent. The proposed language ensures consistency. As stated in the Report, it is reasonable for customers of limousine services to expect that limousine operators comply with state requirements. Similar to the audit function in other for-hire transportation programs, the most comprehensive way to determine whether limousine operators are in compliance is to audit their records.

The proposed language delineates the difference between audits and vehicle inspections. While vehicle inspections must be conducted every year, it is reasonable to limit audits of records to once every three years to ensure audits are not overly burdensome on limousine operators’ resources. The proposed language requires the Department to conduct a more frequent audit for two reasons:

1. for limousine operators with a history of noncompliance to verify corrections of violations from previous audits; and
2. upon discovery of a safety-related violation that puts the vehicle in danger of breaking down or causing an accident or that poses an immediate risk of harm to the public.

Conducting audits more frequently for these reasons is reasonable to assure the safety of the public.

Additionally, the proposed language allows the Department discretion in determining whether to conduct more frequent audits for non-safety-related violations, upon discovery of violations discovered during a roadside inspection, or upon receipt of certain types of complaints.

Discretion is needed and reasonable because the Office of Freight and Commercial Vehicle Operations is charged with conducting audits and inspections for three different programs (Special Transportation Services, Limousines Services, and Motor Carrier Passenger Services). Although there is not a significant number of complaints regarding limousine operators, there are for the other programs. Overall, the office conducts around 450-500 audits and 4,500 inspections across all three programs each year. There are 12 staff who conduct all audits, inspections, and complaint investigations.

The overarching goal for all three programs is safety and compliance. Often, this can be accomplished through education and light enforcement. It is not a good use of the department’s limited resources to conduct an audit for every complaint or follow up in a faster timeframe than three years for most



audits. The Department's efforts are focused on carriers where there is a documented lack of compliance and intervention is needed to bring them into compliance.

Subp. 2. **Audit report.** The commissioner must provide a copy of the audit report to the limousine operator. The report must include:

- A. the investigator's name;
- B. the limousine operator's name and permit number;
- C. the date and location of the audit; and
- D. a description of the items that do not comply with the requirements of 8880.0200 to 8880.1100.

**Justification for part 8880.1150, subp. 2:** The proposed language states the requirements for the audit report. It is needed and reasonable to provide the limousine operator with the results of an audit, especially if there are violations or issues with non-compliance. The audit report memorializes actions that need to be taken and serves as the official record to document the results and steps to remedy deficiencies. The Department has always sent a report to the limousine operator following an audit; however, the proposed language ensures consistency in these reports.

## **PART 8880.1200 - ADMINISTRATIVE PENALTIES**

Subp. 2. **Issuance, payment, enforcement.** Minnesota Statutes, section 221.036, subdivisions 2, 3, paragraph (c), 4 to 6, and 11, apply to orders issued under this part. The commissioner ~~shall~~ must mail an order by certified mail, return receipt requested, to the last known address of the limousine operator.

Subp. 3. **Demand for hearing.** Within 30 days after the date on which an order was mailed, or within 20 days after mailing notice of the commissioner's determination that a violation has not been corrected or that appropriate steps have not been taken, the person subject to an order under this part may demand a hearing. Failure of a person to demand a hearing within the time specified in this part constitutes a waiver of the person's right to appear and contest an administrative penalty order. A demand for hearing must be delivered or mailed to the Minnesota Department of Transportation, Office of ~~Motor Carrier Services, Minnesota Administrative Truck Center, 100 Stockyards Road, South Saint Paul, Minnesota 55075~~ Freight and Commercial Vehicle Operations, and must include a statement of the issues the person intends to raise at the hearing.

Subp. 4. **Hearing.** Within 30 days of receiving a demand for hearing that meets the requirements of subpart 3, the commissioner ~~shall~~ must initiate a contested case proceeding under

Minnesota Statutes, chapter 14. If the administrative law judge makes a finding that the hearing was demanded solely for purposes of delay or that the hearing demand was frivolous, the commissioner may add to the amount of the penalty the costs charged to the commissioner by the Office of Administrative Hearings for the hearing. If a hearing has been held and a final order issued by the commissioner, the penalty must be paid by the 15th day after the final order was mailed, together with interest accruing at the rate established in Minnesota Statutes, section 549.09, from 31 days after the original order was received.

**Justification for part 8880.1200, subps. 2-4:** The changes to subparts 2-4 are housekeeping in nature.

## **PART 8880.1300 - SUSPENSION OR REVOCATION OF PERMIT**

Subpart 1. **Indefinite suspension period.** The commissioner ~~shall~~ must immediately suspend a permit if the commissioner determines that a limousine operator:

- A. is not in compliance with the insurance requirements in part 8880.0300, subpart 3;
- B. willfully refused to permit an inspection or audit under part 8880.1000 ~~or~~ 8880.1100, subpart 1; or 8880.1150, subpart 1;
- C. has committed a pattern of repeated violations of parts 8880.0200 to 8880.1200 documented during vehicle inspections, audits, or complaint investigations; or
- ~~C.~~ D. did not pay, or ~~make arrangements~~ arrange to pay, an administrative penalty, including costs assessed by the commissioner, when due under part 8880.1200.

A permit suspended under this subpart may not be restored until the commissioner determines that a limousine operator has complied with parts 8880.0300 to 8880.1200.

**Justification for part 8880.1300, subp. 1:** The addition of the words “or audit” and “or 8880.1150, subpart 1” in subpart 1, item B, is in reference to the new language regarding audits in part 8880.1150. It ensures that operators understand that their permit will be suspended if they willfully refuse to allow an audit.

The addition of item C is needed and reasonable for protection of the public. Limousine operators who repeatedly violate the rules should not be allowed to provide services to the public. The language provides the Department the authority to suspend the permit for operators who continually refuse to comply. Suspension of a permit is meaningful enforcement that gets the attention of noncompliant operators. Without this language, the Department spends a great deal of time and resources dealing with noncompliant operators in ways that are less meaningful, inefficient, and have limited impact on the operator’s incentive to correct their behavior. The language mirrors Minn. Stat. § 221.021 which

states that the commissioner may suspend, revoke, or deny a certificate of registration for motor carriers with repeated violations of the statute.

Subp. 2. **Revocation.** The commissioner ~~shall~~ must revoke a permit if the commissioner determines that a limousine operator:

- A. knowingly made a ~~material~~ materially false or misleading statement in a permit application;
- B. provided limousine service while the limousine operator's permit was suspended; or
- C. did not have a permit that was indefinitely suspended under subpart 1 restored within 60 days of the date of suspension or demand a hearing under subpart 4.

Subp. 3. **Notice of suspension or revocation.** The commissioner ~~shall~~ must mail notice of suspension or revocation of a permit by certified mail, return receipt requested, to the last known address of the limousine operator. The suspension or revocation is effective five days after it is mailed by the commissioner.

**Justification for part 8880.1300, subp. 2 and 3:** The changes to subparts 2 and 3 are housekeeping in nature.

Subp. 4. **Demand for hearing.** A limousine operator whose permit is suspended or revoked may, within 20 days after the notice of suspension or revocation was mailed, demand a hearing. Failure of a person to respond to a notice of suspension or revocation by demanding a hearing within 20 days after the date on which the notice was mailed constitutes a waiver of the person's right to appear and contest the suspension or revocation. A demand for hearing must be delivered or mailed to the Minnesota Department of Transportation, Office of ~~Motor Carrier Services, Minnesota Administrative Truck Center, 100 Stockyards Road, South Saint Paul, Minnesota 55075~~ Freight and Commercial Vehicle Operations, and must include a statement of the issues the limousine operator intends to raise at the hearing. ~~A demand for hearing stays the effective date of a suspension under subpart 1, item B, or a revocation under subpart 3, item A.~~

**Justification for part 8880.1300, subp. 4:** The changes to the first part of this subpart are housekeeping in nature.

The second change removes the language that automatically stays a suspension or revocation if the limousine operator demands a hearing. Automatic stays of suspensions or revocations jeopardize the safety of passengers. Permits are suspended or revoked for many reasons, including safety. Staying a suspension or revocation simply because the limousine operator demands a hearing creates a loophole for the limousine operator to continue using an unsafe vehicle while the legal issues are resolved.

This situation occurred in New York and resulted in loss of life. The limousine had been declared “out-of-service” and the limousine operator demanded a hearing. However, the operator did not show up for the hearing and continued to use the vehicle. The vehicle crashed and many lives were lost.

Removing the automatic stay of suspensions or revocations protects the public safety. Additionally, removing the stay conforms to the STS rules, which does not have language staying a suspension, and provides uniformity among the Department’s passenger transportation programs.

Subp. 5. **Hearing.** Within 30 days of receiving a demand for hearing that meets the requirements of subpart 5 ~~4~~, the commissioner ~~shall~~ must initiate a contested case proceeding under Minnesota Statutes, chapter 14. If the administrative law judge makes a finding that ~~the hearing was demanded solely for purposes of delay or that~~ the demand for hearing was frivolous, the commissioner may assess the costs charged to the commissioner by the Office of Administrative Hearings for the hearing to the limousine operator. Costs assessed by the commissioner must be collected in the manner that administrative penalties are collected under part 8880.1200.

**Justification for part 8880.1300, subp. 5:** The language in subpart 5 was intended to deter demands for hearing solely for the purpose of delay. The removal of the automatic stay in subpart 4 closes the loophole and renders the need for the language in subpart 5 unnecessary. Additionally, the removal of the automatic stay eliminates the need for an ALJ to determine whether a hearing was demanded solely for purposes of delay – a determination that would be difficult to make.

Subp. 6. ~~Revocation-final~~ **Reinstatement.** ~~A revoked permit may not be reinstated. The commissioner must determine the time that must elapse before the holder of a revoked permit may not apply for a new permit for reinstatement, which may not exceed one year from the effective date of revocation. The commissioner must consider:~~

- A. the severity of the violation;
- B. whether the limousine operator knew or should have known that they were in violation of these rules;
- C. whether the violation was safety-related; and
- D. any history of violations.

**Justification for part 8880.1300, subp. 6:** The first sentence was eliminated, and the title of the subpart changed because permits *can* be reinstated. Individuals get the same permit number when they re-apply. Therefore, it’s not a *new* permit, but rather a reinstatement of a permit that was revoked. It is important that holders get the same permit number to track the continuity of the permit (i.e., the

history of revocation, enforcement, etc.). If the Department issues a new permit number rather than reinstating the old number, the history is erased.

It is reasonable for the commissioner to be allowed the latitude to determine the length of time that must elapse before a permit holder may apply for reinstatement. The current language allows no latitude and states that the permit holder must wait for a full year. However, permits are revoked for many reasons, some being minor. For instance, a permit may be revoked because the insurance lapsed, and the individual was out of the country helping family and did not get the mail. Once the insurance is reinstated, there is no reason to make the limousine operator wait for an entire year before applying for reinstatement of a permit. The modified language in subpart 6 is needed and reasonable because it allows the commissioner to consider the reasons for revocation when determining the length of time that must elapse before the limousine operator may obtain a new permit. In any case, the maximum length of time that must elapse before applying for reinstatement is one year. This is reasonable because it is consistent with the time requirement in the current rule.

## **PART 8880.1500 - VARIANCE**

Subpart 1. **Elements.** The commissioner may grant a variance from parts 8880.0300 to 8880.1400. To request a variance, an applicant must submit a petition containing all information required by Minnesota Statutes, section 14.056, subdivision 1, and demonstrate that:

- A. the rationale for the rule or rules in question can be met or exceeded by the specific alternative practice which the applicant proposes to substitute;
- B. the application of the rule in question would impose an excessive burden on the applicant; and
- C. the granting of the variance will not adversely affect the public health and safety.

Subp. 2. **Written answer in 30 days.** The commissioner must set forth in writing the reasons for granting or denying the variance within 30 days of receiving the application. If the variance is denied, the applicant may, within 30 days of receiving notice of the denial, request a contested case hearing.

Subp. 3. **Compliance.** Any limousine operator that is granted a variance must comply with the alternative practice specified in its successful application for a variance.

Subp. 4. **Material change in circumstances.** Any limousine operator that has been granted a variance must immediately notify the department if any material change occurs in the circumstances which justified granting the variance.

Subp. 5. **Revocation of variance.** A variance must be revoked if a material change occurs in the circumstances that justified the variance or if the applicant fails to comply with the alternative practice specified in the application for a variance.

Subp. 6. **Conditions and duration.** The commissioner may impose conditions on the granting of a variance according to Minnesota Statutes, section 14.055. The commissioner may limit the duration of a variance and may renew a variance.

**Justification for part 8880.1500:** This new language creates a variance process like that in the Special Transportation Services rules (Minnesota Rules 8840.6300). The Administrative Procedures Act provides for a variance procedure for all rules and including provisions for it in the rule put the regulated community on notice that the procedure exists and states how to obtain a variance. A variance process is needed because it affords the Department greater discretion and flexibility to elect not to enforce the rule in those rare circumstances in which the application of the rule would be inappropriate. These unusual circumstances are described in the rule, and consider the rule's purposes, hardship to a regulated company, the public interest, and potential prejudice that could result by granting a variance.

## Regulatory Analysis

Minn. Stat. § 14.131 requires the Department to address eight factors as part of the SONAR. Those factors are laid out and addressed in detail below.

### Classes Affected

**A description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.**

The classes of persons most likely to be affected by the proposed amendments to these rules are limousine operators and limousine drivers. Limousine operators are most likely to bear any additional costs that may arise from the implementation of the amendments to these rules.

The public, limousine operators and drivers, and cities will likely benefit from the proposed rules. The proposed amendments are intended to increase the safety of the traveling public and those using limousine services. Additionally, limousine operators and drivers will benefit from clarity, and cities may benefit from the Department's modified enforcement provisions for problem providers. The updated rules provide the Department with more meaningful and effective enforcement options which provides a benefit to local law enforcement who have historically had to step in to address issues with non-compliant operators under the current rules.

## **Department/Agency Costs**

**The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.**

The Department does not believe the proposed amendments will increase its costs or the costs of any other agency. The responsibility for administration and enforcement of the rules lies with the Department and, as the rules have been in place for many years, the Department has dedicated funds to do so. The proposed amendments do not create new responsibilities for the Department, but may lead to increased efficiency in enforcement, which could potentially result in lowered costs to administer and enforce the rules. Finally, the Department does not believe the rule amendments will have a significant impact on state revenues. The only changes that may affect revenues are the implementation of the temporary permit and temporary decal fees. The temporary permit fee may reduce the total amount collected for fees because providers will not have to pay the full \$150 permit fee for a temporary vehicle but rather a reduced \$20 temporary permit fee and \$5 temporary decal fee. However, the number of providers that need a temporary permit in any given year is minimal and generally in connection with a special event (such as the Super Bowl); therefore, the change in fees is unlikely to affect state revenues.

## **Less Costly or Intrusive Methods**

**A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.**

The Department is unaware of any way to achieve the intended effects of the proposed amendments to these rules other than this rulemaking. The proposed amendments were developed to update existing rule requirements, and to comply with legislative audit requirements and federal and state statute changes.

## **Alternative Methods**

**A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.**

The Department did not seriously consider any alternative methods other than the proposed amendments. As stated above, the proposed amendments were developed to update existing rule requirements, and to comply with legislative audit requirements and federal and state statute changes.

## Costs to Comply

**The probable costs of complying with the proposed rule, including the portion of the total costs that will be borne by identifiable categories of affected parties, such as separate classes of governmental units, businesses, or individuals.**

The most tangible new costs are for vehicles added to the fleet and fees for temporary permits and temporary decals. In the case of temporary permits and decals, limousine operators will pay less than they would under the current rules because the current rules do not have a provision for temporary permits. Currently, an operator wishing to temporarily add a limousine to its fleet must pay the full \$150 permit fee. Under the proposed rules, an operator would pay \$20 for a temporary permit and \$5 for a temporary decal providing significant savings.

Regarding the cost of a vehicle, the proposed language increases the value in the definition of “luxury passenger automobile” from \$25,000 to \$52,500. As identified in the rule-by-rule analysis above, the change to the value is needed and reasonable to distinguish a “luxury” vehicle and align with current market values. The value specified in the rule has not increased in the last 30 years and is woefully inaccurate. Operators are likely already spending significantly more than \$25,000 on their vehicles so the adjustment of the value is not truly a new cost.

A new requirement in the proposed rules is for limousine operators to obtain a US DOT number. There should not be any cost for obtaining the number. However, the application can be confusing, and if the applicant states that they provide interstate services rather than only intrastate services, they are assessed a fee. Additionally, applicants receive solicitations from third-party vendors after they apply for the US DOT number offering assistance with administrative processes. Some applicants misunderstand the solicitations as requirements that they must complete which include fees for the services rendered by the third-party vendors. The Department will use various means of notification and communication to alert limousine operators that there are no additional fees or requirements for obtaining the US DOT number to help prevent operators for spending unnecessary funds.

Finally, the annual driver record search costs \$9.50 per driver. Limousine operators are required to review the record under the current rule, and they likely obtained a copy in order to review it, so this is probably not a new cost. However, the proposed rules specifically state that the operator must obtain a copy. If there was previously a way to review the record without getting a copy, this would be a new cost. Most companies are owner/operators, so the only driver is themselves. The largest companies have around 50-60 drivers so obtaining records for those drivers would cost around \$500-\$600. There is also the potential that the limousine operators require the driver to obtain a copy of their driving record to provide to the operator, so in some cases, the \$9.50 cost may be passed on to the driver.



Note: in comparison, Special Transportation Service providers must pay \$44 per driver for their background studies. The \$9.50 cost is significantly less than the similar requirement in the STS rules.

## **Costs of Non-Adoption**

**The probable costs or consequences of not adopting the proposed rule, including those costs or consequences borne by identifiable categories of affected parties, such as separate classes of government units, businesses, or individuals.**

Failure to adopt the proposed amendments would result in a failure to achieve the intended purpose of ensuring passenger safety, addressing legislative audit findings and relevant changes to statutes, clarifying ambiguous rule language, and generally keeping the rules current. It has been nearly ten years since the statute changed. In that time, the statute and rules have been out of alignment and the Department and regulated parties have been in limbo. Not adopting the amendment perpetuates the lack of clarity between statute and rules and creates ambiguity and inefficiency.

A primary reason for many of the proposed amendments is to make the administration of the limousine program more efficient. One of the ways this will be accomplished is to make the requirements of these rules better reflect current industry practices. Not adopting the proposed amendments to these rules would potentially prevent the intended cost-savings associated with implementing those measures.

## **Differences from Federal Regulations**

**An assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.**

There are existing differences between certain federal regulations and Minnesota statutes and rules pertaining to limousine services. The proposed rules do not change those existing differences or create any new ones. Additionally, the federal Infrastructure Investment and Jobs Act requires a copy of the most recent inspection report to be posted in the vehicle or on the company's website. The proposed rule amendments include this requirement.

## **Cumulative Effect**

**An assessment of the cumulative effect of the rule with other federal and state regulations related to the specific purpose of the rule.**

No other state agencies regulate limousine services. The Minnesota Department of Vehicle Services (DVS) regulates limousine plates, but the changes to these rules do not impact plates. However, DVS

uses the definition of “luxury” when issuing plates and will continue to look to these rules to determine whether to issue limousine plates. There are no other federal regulations other than those previously adopted in Minnesota statutes and rule.

## **Consideration of Equity**

As stated above, the proposed rules primarily affect limousine operators and drivers. Many limousine operators and drivers are immigrants from Eastern African countries. The government norms in those countries are often different than the norms in the United States. When limousine operators and drivers transition from countries that are not as heavily regulated, a shift in thinking needs to occur. MnDOT sees more non-compliance from these groups because of the differences in norms. The proposed changes to the limousine rules do not really change this issue; MnDOT will likely still see non-compliance as the operators adapt to the US laws. However, rules regarding regulation should not be different for different groups. Regulation does not allow for flexibility in “fairness” even when you know there are difference in understanding among groups of people being regulated. The purpose of the rules is for protection of the traveling public, including limousine passengers, not the preferences of limousine operators and drivers.

With a large Tribal population in Minnesota, of the Department considered how Tribal Nations are affected by the rules. There are not currently any limousine companies operated by a Tribal Nation. There are, however, limousine operators who are Tribal members, but they are not affected any differently by the rules than any other limousine operator or driver.

The Department also considered financial disparities. As discussed above, raising the requirement for the value of vehicles added to a fleet may impact lower income limousine operators more than others. Additionally, limousine operators from other countries may be more affected by these changes than others. Individuals new to the United States often don’t have a credit history, which may result in higher interest rates when acquiring loans to start businesses, such as limousine services. However, as identified in the rule-by-rule analysis of the SONAR, the change to the required value is needed and reasonable to distinguish a “luxury” vehicle and align with current market values.

## **Notice Plan**

Minnesota Statutes, section 14.131, requires that an agency include in its SONAR a description of its efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

Details on the previous measures taken to ensure stakeholders received both required and additional notice of this rulemaking during the Request for Comments and rule development period can be found on pages 8-9 of this SONAR.

## Required Notice

The Department is required under Minn. Stat. Chapter 14 to identify and send notice to several groups. The steps the Department will take to meet those statutory requirements are laid out in detail below.

Consistent with Minn. Stat. § 14.14, subd. 1a, on the day the Notice of Intent to Adopt Rules is published in the *State Register*, the Department will send via email or U.S. mail a copy of the Notice and the proposed rule to the contacts on the Department's list of all persons who have registered with the agency for the purpose of receiving notice of rule proceedings. There are roughly 30 people on the Department's list of persons who have requested notice via United States Postal Service, and roughly 350 persons who have requested noticed of all rule proceedings via GovDelivery. The Notice will be sent at least 33 days before the end of the comment period.

Consistent with Minn. Stat. § 14.116(b), the Department will send a copy of the Notice, a copy of the proposed rules, and a copy of the SONAR to the chairs and ranking minority party members of the transportation finance and policy committees and the Legislative Coordinating Commission. These documents will be sent at least 33 days before the end of the comment period.

Consistent with Minn. Stat. § 14.131, the Department will send a copy of the SONAR to the Legislative Reference Library when the Notice is sent.

There are several notices required under Minn. Stat. Chapter 14 in certain situations that do not apply for this rulemaking. These notices are laid out in detail below.

Minn. Stat. § 14.116(c) requires the Department "make reasonable efforts to send a copy of the notice and the statement to all sitting legislators who were chief house of representatives and senate authors of the bill granting the rulemaking authority" if it is within two years of the effective date of the law granting rulemaking authority. This requirement does not apply because the Department was granted rulemaking authority for limousines in 1991 and no bill within the past two years granted the Department additional authority for this rulemaking.

Minn. Stat. § 14.111 requires the Department to provide the commissioner of agriculture with a copy of the proposed rule change if the agency plans to adopt or repeal a rule that affects farming operations. This requirement does not apply because the proposed amendments will not have any effect on farming operations in Minnesota.

## Additional Notice

In addition to the required notice referenced above, the Department will make the Notice of Intent to Adopt Rules, SONAR, and proposed rule amendments available on the web page created for this

rulemaking. Members of the public may to submit comments online, by U.S. mail, or by contacting Department staff directly.

The Department also intends to send an electronic notice with a hyperlink to electronic copies of the Notice, SONAR, and the proposed rule to:

- Limousine Operators - This category includes all service providers that the Department has issued a permit to operate. There are currently 232 limousine operators.
- Metropolitan Airports Commission, Landside Operations – The Minneapolis-St. Paul airport is a frequent site serviced by limousine operators.
- Minnesota Department of Public Safety, Department of Vehicle Services – This department issues limousine plates and must be aware of the definitions of “limousine” and “luxury passenger automobile.”
- Minnesota Department of Public Safety, State Patrol – MnDOT shares enforcement responsibility for limousines with the State Patrol.
- League of Minnesota Cities – This organization provides communication with cities throughout the state who may have interest in the proposed amendments to the rules.
- Minnesota Chauffeured Transportation Association - The professional society representing limousine operators.
- The Department’s GovDelivery list used for limousine service communications. The Department maintains a free email notification service for sending updates on issues and developments related to limousine service. Anyone may subscribe through links on the Office of Freight and Commercial Vehicle website. The Department routinely sends updates on limousine regulations to the email subscribers. The list contains roughly 2,238 email addresses.
- Uber and Lyft – These rules are not specifically intended to regulate Transportation Network Companies, including Uber and Lyft, but independent contractors may work for these companies and may have an interest in the rules. For example, if an independent contractor wants to provide Uber Black service, Uber requires them to have a limousine plate.

On May 8, 2025, the Department received confirmation from OAH that these steps meet the notice requirements for persons or classes of persons who may be affected by the proposed amendments to these rules under Minn. Stat. § 14.14, subd. 1a.

## **Performance-Based Rules**

Minnesota Statutes, section 14.002, requires state agencies, whenever feasible, to develop rules that are not overly prescriptive and inflexible, and rules that emphasize achievement of the Department's regulatory objectives while allowing maximum flexibility to regulated parties and to the Department in meeting those objectives.

Truly performance-based rules would set objectives and leave the manner of achieving those objectives to the regulated parties. Given the requirements of limousine service and the diverse population that uses the service (including families, teenagers going to prom, wedding parties, etc.), and the statutory requirement that the Department adopt rules to protect their safety, truly performance-based rules are not possible. However, the Department has made a significant effort to make these rules as flexible as possible while still ensuring that necessary requirements are in place to protect the safety of the public.

The Department is proposing amendments to these rules to provide for temporary limousine service permits and decals at a reduced cost to the operator. This allows limousine operators the flexibility to add vehicles to their fleet for special events or to replace a limousine that is out-of-service for a limited time. The Department is also allowing flexibility pertaining to provider records by requiring they meet certain standards but not a specific format. Finally, the Department is providing clear parameters for when and how audits of records will be conducted. The current rules are silent regarding records audits creating ambiguity and confusion. At a minimum, the commissioner must conduct the records audit once in three years. However, the commission may conduct an audit more frequently to verify correction of violations from previous audits or upon receipt of a complaint. This ensures a streamlined audit process and minimal regulatory burden on limousine operators.

## **Consultation with MMB on Local Government Impact**

As required by Minn. Stat. § 14.131, the Department will consult with Minnesota Management and Budget (MMB) by sending MMB copies of the documents that will be sent to the Governor's Office for review and approval on the same day we send them to the Governor's Office. The Department will do this before publishing the Notice of Intent to Adopt Rules. The documents will include the Governor's Office Proposed Rule and SONAR Form, the proposed rule amendments, and the SONAR. The Department will submit a copy of the cover correspondence, and any response received from MMB to OAH at the hearing or with the documents it submits for ALJ review.

## **Impact on Local Government Ordinance and Rules**

Minnesota Statutes, section 14.128, subdivision 1, requires an agency to decide whether a proposed rule will require a local government to adopt or amend any ordinances or other regulation in order to

comply with the rule. The Department has determined that the proposed amendments will not have any effect on local ordinances or regulations because the administration and enforcement of the rules lies solely with the Department.

## **Costs of Complying for Small Business or City**

### **Agency Determination of Cost**

As required by Minnesota Statutes, section 14.127, the Department has considered whether the cost of complying with the proposed rules in the first year after the rules take effect will exceed \$25,000 for any small business or small city. The Department has determined that the cost of complying with the proposed rules in the first year after the rules take effect will not exceed \$25,000 for any small business or small city. The Department made this determination based on the probable costs of complying with the proposed rule, as described in the Regulatory Analysis section of this SONAR on page 46.

### **Effect of Cost Determination**

The proposed rule amendments do not impose any requirements on local government, so there will be no costs for any city to comply.

Most limousine operators are small businesses. As described above, there is a fee of \$9.50 to obtain a copy of each driver's record. Additionally, the value of a new vehicle for an operator's fleet must exceed \$52,500. However, operators are not required to purchase a vehicle to comply with these rules; they may continue to use the vehicles already in their fleet. New operators or operators adding vehicles to their fleet must meet the requirement, however, limousine service is an opt-in program. No one is legally obligated to become a limousine operator and it is their choice to start such a business. The cost of starting a limousine business includes purchasing vehicles that meet the requirements of the rule.

## **Authors, Witnesses, and Exhibits**

### **Authors**

The primary authors of this SONAR are Laura Roads, Director of Commercial Vehicle Operations in the Office of Freight and Commercial Vehicle Services (OFCVO), Jeff Cummins, Supervisor of State Programs in OFCVO, Christopher Ludgate, State Program Team Lead in OFCVO, Mike McKay, Supervisor of the Credentials Unit in OFCVO, Mike Carli, Credentials Team Lead in OFCVO, and Andrea Barker, Policy and Administrative Rules Coordinator.

## Witnesses

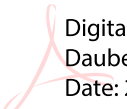
If these rules go to a public hearing, the Department does not anticipate having anyone other than the listed authors testify in support of the need for and reasonableness of the rules.

## Conclusion

In this SONAR, the Department has established the need for and the reasonableness of each of the proposed amendments to Minnesota Rules, Chapter 8880. The Department has provided the necessary notice and documented its compliance with all applicable administrative rulemaking requirements of Minnesota statute and rules.

Based on the forgoing, the proposed amendments are both needed and reasonable.

Nancy  
Daubenberger



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Daubenberger  
Date: 2025.05.13 16:58:20 -05'00'

Nancy Daubenberger, Commissioner  
Minnesota Department of Transportation