

A bill for an act
relating to motor vehicles; increasing vehicle registration taxes, title transaction
fees, and driver's license fees; making technical and clarifying changes;
amending Minnesota Statutes 2006, sections 168.013, subdivisions 1a, 1b, 1c,
1d, 1e, 1f, 1g, 1h, 18; 168A.29, subdivision 1; 171.06, subdivision 2; proposing
coding for new law in Minnesota Statutes, chapter 168.

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

Section 1. Minnesota Statutes 2006, section 168.013, subdivision 1a, is amended to
read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined
in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax ~~shall~~
~~be \$10~~ is \$..... plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the
manufacturer's suggested retail price of the vehicle including destination charge using list
price information published by the manufacturer or determined by the registrar if no
suggested retail price exists, and ~~shall~~ does not include the cost of each accessory or item
of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification
number followed by various descriptions and suggested retail prices, the registrar shall
select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed,
or for any other reason, the registrar may establish such value upon the cost price to the
purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

2.1	FROM	TO
2.2	\$ 0	\$ 199.99
2.3	200	399.99

2.4 and thereafter a series of classes successively set in brackets having a spread of \$200
2.5 consisting of such number of classes as will permit classification of all vehicles.

2.6 (f) The base value for purposes of this section ~~shall be~~ is the middle point between
2.7 the extremes of its class.

2.8 (g) The registrar shall establish the base value, when new, of every passenger
2.9 automobile and hearse registered ~~prior to the effective date of Extra Session Laws before~~
2.10 October 30, 1971, chapter 31, using list price information published by the manufacturer
2.11 or any nationally recognized firm or association compiling such data for the automotive
2.12 industry. If unable to ascertain the base value of any registered vehicle in the foregoing
2.13 manner, the registrar may use any other available source or method. The registrar shall
2.14 calculate tax using base value information available to dealers and deputy registrars at
2.15 the time the application for registration is submitted. The tax on all previously registered
2.16 vehicles shall be computed upon the base value thus determined taking into account the
2.17 depreciation provisions of paragraph (h).

2.18 (h) The annual additional tax computed upon the base value as provided herein,
2.19 during the first and second years of vehicle life shall be computed upon 100 percent of the
2.20 base value; for the third and fourth years, 90 percent of such value; for the fifth and sixth
2.21 years, 75 percent of such value; for the seventh year, 60 percent of such value; for the
2.22 eighth year, 40 percent of such value; for the ninth year, 30 percent of such value; for the
2.23 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of
2.24 \$25. In no event shall the annual additional tax be less than \$25.

2.25 (i) The total tax under this subdivision shall not exceed ~~\$189~~ \$..... for the first
2.26 renewal period and shall not exceed ~~\$99~~ \$..... for subsequent renewal periods. The total
2.27 tax under this subdivision on any vehicle filing its initial registration in Minnesota in the
2.28 second year of vehicle life shall not exceed ~~\$189~~ \$..... and shall not exceed ~~\$99~~ \$..... for
2.29 subsequent renewal periods. The total tax under this subdivision on any vehicle filing its
2.30 initial registration in Minnesota in the third or subsequent year of vehicle life shall not
2.31 exceed ~~\$99~~ \$..... and shall not exceed ~~\$99~~ \$..... in any subsequent renewal period. In no
2.32 event shall the annual total tax be less than \$.....

2.33 ~~(j)~~ (j) As used in this subdivision and section 168.017, the following terms have the
2.34 meanings given: "initial registration" means the 12 consecutive months calendar period
2.35 from the day of first registration of a vehicle in Minnesota; and "renewal periods" means
2.36 the 12 consecutive calendar months periods following the initial registration period.

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Sec. 2. Minnesota Statutes 2006, section 168.013, subdivision 1b, is amended to read:

Subd. 1b. **Motorcycle.** On motorcycles the tax is ~~\$10~~ \$....., which includes the surtax provided for in subdivision 14.

Sec. 3. Minnesota Statutes 2006, section 168.013, subdivision 1c, is amended to read:

Subd. 1c. **Farm truck.** (a) On farm trucks having a gross weight of not more than 57,000 pounds, the tax ~~shall be~~ is based on total gross weight and shall be \$..... plus 45 percent of the Minnesota base rate prescribed by subdivision 1e during each of the first eight years of vehicle life, but in no event less than ~~\$35~~ \$....., and during the ninth and succeeding years of vehicle life the tax ~~shall be~~ is \$..... plus 27 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than ~~\$21~~ \$......

(b) On farm trucks having a gross weight of more than 57,000 pounds, the tax ~~shall be~~ is \$..... plus 60 percent of the Minnesota base rate during each of the first eight years of vehicle life and \$..... plus 36 percent of the Minnesota base rate during the ninth and succeeding years.

Sec. 4. Minnesota Statutes 2006, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is \$..... plus 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is \$..... plus 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is \$..... plus 75 percent of the Minnesota base rate schedule prescribed by subdivision 1e.

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.011, subdivision 17, are taxed as farm trucks as prescribed in subdivision 1c.

(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is ~~\$55~~ \$...... For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is ~~\$25~~ \$.....; or

(2) permanent registration is not desired, the biennial registration tax is ~~\$10~~ \$..... for the first renewal if registration is renewed between and including July 1, 2001, and

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June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is ~~\$20~~ \$......
For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is ~~\$20~~ \$..... and permanent registration must be issued.

Sec. 5. Minnesota Statutes 2006, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. **Truck; tractor; combination; exceptions.** (a) On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight ~~shall be~~ is \$..... plus an additional graduated amount according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than ~~\$120~~ \$......

Minnesota Base Rate Schedule

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT				
	IN POUNDS			TAX
A	0	-	1,500	\$ 15
B	1,501	-	3,000	20
C	3,001	-	4,500	25
D	4,501	-	6,000	35
E	6,001	-	9,000	45
F	9,001	-	12,000	70
G	12,001	-	15,000	105
H	15,001	-	18,000	145
I	18,001	-	21,000	190
J	21,001	-	26,000	270
K	26,001	-	33,000	360
L	33,001	-	39,000	475
M	39,001	-	45,000	595
N	45,001	-	51,000	715
O	51,001	-	57,000	865
P	57,001	-	63,000	1015
Q	63,001	-	69,000	1185
R	69,001	-	73,280	1325
S	73,281	-	78,000	1595
T	78,001	-	81,000	1760

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(b) For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

(c) For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

(d) Truck-tractors except those herein defined as farm and commercial zone vehicles ~~shall be~~ are taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

(e) Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or

(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation pursuant to United States Code, title 49, section 13506.

(f) The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at \$..... plus 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

(g) On commercial zone trucks the tax ~~shall be~~ is based on the total gross weight of the vehicle and during each of the first eight years of vehicle life ~~shall be~~ is \$..... plus 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax ~~shall be~~ is \$..... plus 50 percent of the Minnesota base rate schedule.

(h) On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life ~~shall be~~ is \$..... plus 100 percent of the tax imposed in the Minnesota base

rate schedule, and during the ninth and succeeding years of vehicle life, the tax ~~shall be~~ is \$..... plus 75 percent of the Minnesota base rate prescribed by this subdivision.

(i) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers.

Sec. 6. Minnesota Statutes 2006, section 168.013, subdivision 1f, is amended to read:

Subd. 1f. **Bus; commuter van.** (a) On all intercity buses, the tax during each of the first two years of vehicle life ~~shall be~~ is \$..... plus an additional amount based on the gross weight of the vehicle and graduated according to the following schedule:

Gross Weight of Vehicle	Tax
Under 6,000 lbs.	\$125
6,000 to 8,000 lbs., incl.	125
8,001 to 10,000 lbs., incl.	125
10,001 to 12,000 lbs., incl.	150
12,001 to 14,000 lbs., incl.	190
14,001 to 16,000 lbs., incl.	210
16,001 to 18,000 lbs., incl.	225
18,001 to 20,000 lbs., incl.	260
20,001 to 22,000 lbs., incl.	300
22,001 to 24,000 lbs., incl.	350
24,001 to 26,000 lbs., incl.	400
26,001 to 28,000 lbs., incl.	450
28,001 to 30,000 lbs., incl.	500
30,001 and over	550

(b) During each of the third and fourth years of vehicle life, the tax ~~shall be~~ is \$..... plus 75 percent of the foregoing scheduled tax; during the fifth year of vehicle life, the tax ~~shall be~~ is \$..... plus 50 percent of the foregoing scheduled tax; during the sixth year of vehicle life, the tax ~~shall be~~ is \$..... plus 37-1/2 percent of the foregoing scheduled tax; and during the seventh and each succeeding year of vehicle life, the tax ~~shall be~~ is \$..... plus 25 percent of the foregoing scheduled tax; provided that the annual tax paid in any year of its life for an intercity bus shall be not less than ~~\$175~~ \$..... for a vehicle of over 25 passenger seating capacity and not less than ~~\$125~~ \$..... for a vehicle of ~~25 passenger~~ passengers and less seating capacity.

(c) On all intracity buses operated by an auto transportation company in the business of transporting persons for compensation as a common carrier and operating within the limits of cities having populations in excess of 200,000 inhabitants, the tax during each year of the vehicle life of each such bus ~~shall be \$40~~ is \$.....; on all of such intracity buses operated in cities having a population of less than 200,000 and more than 70,000

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inhabitants, the tax during each year of vehicle life of each bus ~~shall be \$10~~ is \$.....; and on all of such intracity buses operating in cities having a population of less than 70,000 inhabitants, the tax during each year of vehicle life of each bus ~~shall be \$2~~ is \$.....

(d) On all other buses and commuter vans, as defined in section 168.126, the tax during each of the first three years of the vehicle life ~~shall be~~ is \$..... plus an additional amount based on the gross weight of the vehicle and graduated according to the following schedule: Where the gross weight of the vehicle is 6,000 pounds or less, \$25. Where the gross weight of the vehicle is more than 6,000 pounds, and not more than 8,000 pounds, the ~~tax shall be~~ amount is \$25 plus an additional tax of \$5 per ton for the ton or major portion in excess of 6,000 pounds. Where the gross weight of the vehicle is more than 8,000 pounds, and not more than 20,000 pounds, the ~~tax shall be~~ amount is \$30 plus an additional tax of \$10 per ton for each ton or major portion in excess of 8,000 pounds. Where the gross weight of the vehicle is more than 20,000 pounds and not more than 24,000 pounds, the ~~tax shall be~~ amount is \$90 plus an additional tax of \$15 per ton for each ton or major portion in excess of 20,000 pounds. Where the gross weight of the vehicle is more than 24,000 pounds and not more than 28,000 pounds, the ~~tax shall be~~ amount is \$120 plus an additional tax of \$25 per ton for each ton or major portion in excess of 24,000 pounds. Where the gross weight of the vehicle is more than 28,000 pounds, the ~~tax shall be~~ amount is \$170 plus an additional tax of \$30 per ton for each ton or major portion in excess of 28,000 pounds.

(e) During the fourth and succeeding years of vehicle life, the ~~tax shall be~~ amount is \$..... plus 80 percent of the foregoing scheduled tax but in no event less than ~~\$20~~ \$..... per vehicle.

Sec. 7. Minnesota Statutes 2006, section 168.013, subdivision 1g, is amended to read:

Subd. 1g. **Recreational vehicle.** (a) Self-propelled recreational vehicles shall be separately licensed and taxed annually on the basis of total gross weight and the tax shall be graduated according to the Minnesota base rate schedule prescribed in subdivision 1e, but in no event less than ~~\$20~~ \$....., except as otherwise provided in this subdivision.

(b) For all self-propelled recreational vehicles, the tax for the ninth and succeeding years of vehicle life ~~shall be~~ is \$..... plus 75 percent of the tax imposed in the Minnesota base rate schedule.

(c) Towed recreational vehicles shall be separately licensed and taxed annually on the basis of total gross weight at \$..... plus 30 percent of the Minnesota base rate prescribed in subdivision 1e but in no event less than ~~\$5~~ \$.....

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(d) Notwithstanding any law to the contrary, all trailers and semitrailers taxed pursuant to this section ~~shall be~~ are exempt from any wheelage tax now or hereafter imposed by any political subdivision or political subdivisions.

Sec. 8. Minnesota Statutes 2006, section 168.013, subdivision 1h, is amended to read:

Subd. 1h. **Motorized bicycle.** On motorized bicycles the tax is ~~\$6~~ \$....., which includes the surtax provided for in subdivision 14.

Sec. 9. Minnesota Statutes 2006, section 168.013, subdivision 18, is amended to read:

Subd. 18. **School buses.** Notwithstanding the provisions of subdivision 1, school buses used exclusively for the transportation of students under contract with a school district, or used in connection with transportation for nonprofit educational institutions, ~~shall be~~ are taxed during each year of the vehicle life of such bus the amount of ~~\$25~~ \$......

Sec. 10. **[168.328] VEHICLE-RELATED PAYMENTS BY CREDIT OR DEBIT CARD.**

By January 1, 2008, the commissioner of public safety shall establish a system to allow the department, deputy registrars, and driver's license agents to collect motor vehicle registration taxes under Minnesota Statutes, section 168.013, motor vehicle certificate of titles and related document fees under Minnesota Statutes, section 168A.29, and driver's license and Minnesota identification card fees under Minnesota Statutes, section 171.06, by credit or debit card. The credit or debit card transactions must be processed by a vendor of the department's choice with all processing costs paid or absorbed by the department. The department shall make necessary arrangements so the deputy registrars and driver's license agents receive settlement of the filing fees under Minnesota Statutes, sections 168.33, subdivision 7, and 171.061, subdivision 4, no later than business days following the date of the transaction for which the fees were charged. The department is responsible for acquiring and maintaining all point-of-sale equipment necessary to facilitate payment by credit or debit cards. The department may elect to not allow credit or debit cards to be used on transactions exceeding \$1,000. The department may choose to limit which credit cards or debit cards may be accepted for payment. Dealers, registrants of fleet vehicles under Minnesota Statutes, section 168.127, and other registrants designated by the commissioner, if any, are not allowed to pay by credit or debit card.

Sec. 11. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of ~~\$5.50~~ \$..... of which ~~\$2.50~~ \$..... must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of ~~\$5.50~~ \$..... of which ~~\$2.50~~ \$..... must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$..... of which ~~\$2.50~~ \$..... must be paid into the vehicle services operating account of the special revenue fund under section 299A.705.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 12. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

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

Classified Driver's License	D-\$21.50 <u>D-\$.....</u>	C-\$25.50 <u>C-\$.....</u>	B-\$32.50 <u>B-\$.....</u>	A-\$40.50 <u>A-\$.....</u>
Classified Under -21 D.L.	D-\$21.50 <u>D-\$.....</u>	C-\$25.50 <u>C-\$.....</u>	B-\$32.50 <u>B-\$.....</u>	A-\$20.50 <u>A-\$.....</u>
Instruction Permit				\$9.50 \$.....
Provisional License				\$12.50 \$.....
Duplicate License or duplicate identification card				\$11.00 \$.....
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$15.50 \$.....

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10.1 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
10.2 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
10.3 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
10.4 violations, and (3) convictions for moving violations that are not crash related, shall have a
10.5 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
10.6 has the meaning given it in section 171.04, subdivision 1.

10.7 (c) In addition to the driver's license fee required under paragraph (a), the
10.8 commissioner shall collect an additional \$4 processing fee from each new applicant
10.9 or individual renewing a license with a school bus endorsement to cover the costs for
10.10 processing an applicant's initial and biennial physical examination certificate. The
10.11 department shall not charge these applicants any other fee to receive or renew the
10.12 endorsement.

10.13 Sec. 13. **EFFECTIVE DATE.**

10.14 Sections 1 to 9 are effective for first registrations in Minnesota occurring on or
10.15 after January 1, 2008, and for renewals of registration that have been assigned expiration
10.16 dates of February 2008 or later. Section 11 is effective for applications made on or after
10.17 January 1, 2008. Section 12 is effective January 1, 2008. For registrations or applications
10.18 submitted by mail, the postmark is deemed to be when the vehicle was registered or
10.19 when the application was made.