

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1239

(SENATE AUTHORS: OSMEK)

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Introduction and first reading
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; authorizing special interest vehicle license plates;
1.3 amending Minnesota Statutes 2020, sections 65B.49, subdivision 5a; 168.10,
1.4 subdivisions 1, 1e, 1f, 1g, by adding a subdivision; 168.12, subdivision 2a; 169.64,
1.5 subdivision 2; 169.79, subdivision 4; 239.051, subdivision 6; 297B.025, subdivision
1.6 2.

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

1.8 Section 1. Minnesota Statutes 2020, section 65B.49, subdivision 5a, is amended to read:

1.9 Subd. 5a. **Rental vehicles.** (a) Every plan of reparation security, wherever issued, insuring
1.10 a natural person as named insured, covering private passenger vehicles as defined under
1.11 section 65B.001, subdivision 3, and pickup trucks and vans as defined under section 168.002
1.12 must: (1) provide that all of the obligation for damage and loss of use to a rented private
1.13 passenger vehicle, including pickup trucks and vans as defined under section 168.002, and
1.14 rented trucks with a registered gross vehicle weight of 26,000 pounds or less would be
1.15 covered by the property damage liability portion of the plan; and (2) extend the plan's basic
1.16 economic loss benefits, residual liability insurance, and uninsured and underinsured motorist
1.17 coverages to the operation or use of the rented motor vehicle. This subdivision does not
1.18 apply to plans of reparation security covering only motor vehicles registered under section
1.19 168.10, subdivision 1a, 1b, 1c, ~~or 1d~~, or 1j, or recreational vehicles as defined under section
1.20 168.002. The obligation of the plan must not be contingent on fault or negligence. In all
1.21 cases where the plan's property damage liability coverage is less than \$35,000, the coverage
1.22 available under the subdivision must be \$35,000. Other than as described in this paragraph;
1.23 paragraph (i), clause (2); or paragraph (j), nothing in this section amends or alters the
1.24 provisions of the plan of reparation security as to primacy of the coverages in this section.

2.1 (b) A vehicle is rented for purposes of this subdivision:

2.2 (1) if the rate for the use of the vehicle is determined on a monthly, weekly, or daily
2.3 basis; or

2.4 (2) during the time that a vehicle is loaned as a replacement for a vehicle being serviced
2.5 or repaired regardless of whether the customer is charged a fee for the use of the vehicle.

2.6 A vehicle is not rented for the purposes of this subdivision if the rate for the vehicle's
2.7 use is determined on a period longer than one month or if the term of the rental agreement
2.8 is longer than one month. A vehicle is not rented for purposes of this subdivision if the
2.9 rental agreement has a purchase or buyout option or otherwise functions as a substitute for
2.10 purchase of the vehicle.

2.11 (c) The policy or certificate issued by the plan must inform the insured of the application
2.12 of the plan to private passenger rental vehicles, including pickup trucks and vans as defined
2.13 under section 168.002, and that the insured may not need to purchase additional coverage
2.14 from the rental company.

2.15 (d) Where an insured has two or more vehicles covered by a plan or plans of reparation
2.16 security containing the rented motor vehicle coverage required under paragraph (a), the
2.17 insured may select the plan the insured wishes to collect from and that plan is entitled to a
2.18 pro rata contribution from the other plan or plans based upon the property damage limits
2.19 of liability. If the person renting the motor vehicle is also covered by the person's employer's
2.20 insurance policy or the employer's automobile self-insurance plan, the reparation obligor
2.21 under the employer's policy or self-insurance plan has primary responsibility to pay claims
2.22 arising from use of the rented vehicle.

2.23 (e) A notice advising the insured of rental vehicle coverage must be given by the
2.24 reparation obligor to each current insured with the first renewal notice after January 1, 1989.
2.25 The notice must be approved by the commissioner of commerce. The commissioner may
2.26 specify the form of the notice.

2.27 (f) When a motor vehicle is rented in this state, there must be attached to the rental
2.28 contract a separate form containing a written notice in at least 10-point bold type, if printed,
2.29 or in capital letters, if typewritten, which states:

2.30 "Under Minnesota law, a personal automobile insurance policy must: (1) cover the rental
2.31 of this motor vehicle against damage to the vehicle and against loss of use of the vehicle;
2.32 and (2) extend the policy's basic economic loss benefits, residual liability insurance, and
2.33 uninsured and underinsured motorist coverages to the operation or use of a rented motor

3.1 vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected
3.2 in this rental contract is not necessary. In addition, purchase of any additional liability
3.3 insurance is not necessary if your policy was issued in Minnesota unless you wish to
3.4 have coverage for liability that exceeds the amount specified in your personal automobile
3.5 insurance policy."

3.6 No collision damage waiver or other insurance offered as part of or in conjunction with a
3.7 rental of a motor vehicle may be sold unless the person renting the vehicle provides a written
3.8 acknowledgment that the above consumer protection notice has been read and understood.

3.9 (g) When damage to a rented vehicle is covered by a plan of reparation security as
3.10 provided under paragraph (a), the rental contract must state that payment by the reparation
3.11 obligor within the time limits of section 72A.201 is acceptable, and prior payment by the
3.12 renter is not required.

3.13 (h) Compensation for the loss of use of a damaged rented motor vehicle is limited to a
3.14 period no longer than 14 days.

3.15 (i)(1) For purposes of this subdivision, "rented motor vehicle" means a rented vehicle
3.16 described in paragraph (a), using the definition of "rented" provided in paragraph (b).

3.17 (2) Notwithstanding section 169.09, subdivision 5a, an owner of a rented motor vehicle
3.18 is not vicariously liable for legal damages resulting from the operation of the rented motor
3.19 vehicle in an amount greater than \$100,000 because of bodily injury to one person in any
3.20 one accident and, subject to the limit for one person, \$300,000 because of injury to two or
3.21 more persons in any one accident, and \$50,000 because of injury to or destruction of property
3.22 of others in any one accident, if the owner of the rented motor vehicle has in effect, at the
3.23 time of the accident, a policy of insurance or self-insurance, as provided in section 65B.48,
3.24 subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing
3.25 in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to
3.26 comply with the requirements of compulsory insurance through a policy of insurance as
3.27 provided in section 65B.48, subdivision 2, or through self-insurance as provided in section
3.28 65B.48, subdivision 3, which policy of insurance or self-insurance must apply whenever
3.29 the operator is not covered by a plan of reparation security as provided under paragraph (a);
3.30 or with the obligations arising from section 72A.125 for products sold in conjunction with
3.31 the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than
3.32 vicarious liability, of an owner of a rented motor vehicle.

3.33 (3) The dollar amounts stated in this paragraph shall be adjusted for inflation based upon
3.34 the Consumer Price Index for all urban consumers, known as the CPI-U, published by the

4.1 United States Bureau of Labor Statistics. The dollar amounts stated in this paragraph are
4.2 based upon the value of that index for July 1995, which is the reference base index for
4.3 purposes of this paragraph. The dollar amounts in this paragraph shall change effective
4.4 January 1 of each odd-numbered year based upon the percentage difference between the
4.5 index for July of the preceding year and the reference base index, calculated to the nearest
4.6 whole percentage point. The commissioner shall announce and publish, on or before
4.7 September 30 of the preceding year, the changes in the dollar amounts required by this
4.8 paragraph to take effect on January 1 of each odd-numbered year. The commissioner shall
4.9 use the most recent revision of the July index available as of September 1. Changes in the
4.10 dollar amounts must be in increments of \$5,000, and no change shall be made in a dollar
4.11 amount until the change in the index requires at least a \$5,000 change. If the United States
4.12 Bureau of Labor Statistics changes the base year upon which the CPI-U is based, the
4.13 commissioner shall make the calculations necessary to convert from the old base year to
4.14 the new base year. If the CPI-U is discontinued, the commissioner shall use the available
4.15 index that is most similar to the CPI-U.

4.16 (j) The plan of reparation security covering the owner of a rented motor vehicle is excess
4.17 of any residual liability coverage insuring an operator of a rented motor vehicle.

4.18 Sec. 2. Minnesota Statutes 2020, section 168.10, subdivision 1, is amended to read:

4.19 Subdivision 1. **Application.** (a) Except as provided in subdivisions 1a, 1b, 1c, 1d, 1g,
4.20 ~~and 1h, and 1j,~~ every owner of any motor vehicle in this state, not exempted by section
4.21 168.012 or 168.26, shall as soon as registered ownership of a motor vehicle is acquired and
4.22 annually thereafter during the period provided in section 168.31, file with the commissioner
4.23 of public safety on a blank provided by the commissioner a listing for taxation and application
4.24 for the registration of such vehicle, stating the first, middle and last names, the date of birth,
4.25 and the address of the primary residence of each registered owner thereof who is a natural
4.26 person or mailing address if the address of the primary residence has been classified as
4.27 private data under this chapter, the full name and address of any other registered owner, the
4.28 name and address of the person from whom purchased, make of motor vehicle, year and
4.29 number of the model, manufacturer's identification number or serial number, type of body,
4.30 the weight of the vehicle in pounds, for trailers only, its rated load carrying capacity and
4.31 for buses only, its seating capacity, and such other information as the commissioner may
4.32 require. Any false statement willfully and knowingly made in regard thereto shall be deemed
4.33 perjury and punished accordingly. The listing and application for registration by dealers or
4.34 manufacturers' agents within the state, of motor vehicles received for sale or use within the

5.1 state shall be accepted as compliance with the requirements of this chapter, imposed upon
5.2 the manufacturer.

5.3 (b) Registration shall be refused a motor vehicle if the original identification or serial
5.4 number has been destroyed, removed, altered, covered, or defaced. However, if the
5.5 commissioner is satisfied on the sworn statements of the registered owner or registered
5.6 owners or such other persons as the commissioner may deem advisable that the applicant
5.7 is the legal owner, a special identification number in the form prescribed by the commissioner
5.8 shall be assigned to the motor vehicle. When it has been determined that the number had
5.9 been affixed to such vehicle in a manner prescribed by the commissioner, the vehicle may
5.10 thereafter be registered in the same manner as other motor vehicles. In the case of a new or
5.11 rebuilt motor vehicle manufactured or assembled without an identification or serial number,
5.12 the commissioner may assign an identification number to the motor vehicle in the same
5.13 manner as prescribed heretofore.

5.14 Sec. 3. Minnesota Statutes 2020, section 168.10, subdivision 1e, is amended to read:

5.15 Subd. 1e. **Outdoor storage.** Pioneer, classic, collector vehicles, collector military
5.16 vehicles, ~~or~~ street rods, or special interest vehicles, licensed or unlicensed, operable or
5.17 inoperable, may be stored in compliance with local government zoning and ordinances on
5.18 their owners' property, provided that the vehicles and any outdoor storage areas they may
5.19 require are maintained in such a manner that they do not constitute a health or environmental
5.20 hazard and are screened from ordinary public view by means of a fence, shrubbery, rapidly
5.21 growing trees or other appropriate means. The appropriate local agency or authority may
5.22 inform an owner of the owner's failure to comply with these requirements, and may order
5.23 the vehicles removed from the outdoor storage area if the owner fails to comply with these
5.24 requirements within 20 days after the warning.

5.25 Sec. 4. Minnesota Statutes 2020, section 168.10, subdivision 1f, is amended to read:

5.26 Subd. 1f. **Equipment.** Any pioneer, classic, collector vehicle, collector military vehicle,
5.27 ~~or~~ street rod, or special interest vehicle shall have all equipment, in operating condition,
5.28 which was specifically required by law as a condition for its first sale after manufacture.

5.29 No law requiring any particular equipment or specifying any standards to be met by
5.30 motor vehicles shall apply to pioneer, classic, collector vehicles, collector military vehicles,
5.31 ~~or~~ street rods, or special interest vehicles, unless it specifically so states.

6.1 Sec. 5. Minnesota Statutes 2020, section 168.10, subdivision 1g, is amended to read:

6.2 Subd. 1g. **Original plates.** A vehicle registered pursuant to subdivision 1a, 1b, 1c ~~or~~
6.3 1d, or 1j may in lieu of being issued number plates by the commissioner display original
6.4 Minnesota number plates issued in the same year as the model year of the car on which they
6.5 are displayed. The number of the original plates must be provided to the commissioner. The
6.6 original plates must be in good condition. Original Minnesota number plates shall not be
6.7 used if the number on the original plate is identical to a number on any current plate or any
6.8 other plate in a numbering system used by the commissioner without written authorization
6.9 from the commissioner. Any person currently using plates issued pursuant to subdivision
6.10 1a, 1b, 1c ~~or~~ 1d, or 1j shall return those plates to the commissioner before substituting
6.11 original plates. The commissioner shall charge a fee in the amount specified for special
6.12 plates under section 168.12, subdivision 5, for registering the number on original plates.

6.13 Sec. 6. Minnesota Statutes 2020, section 168.10, is amended by adding a subdivision to
6.14 read:

6.15 Subd. 1j. **Collector's vehicle, special interest plate.** (a) Any motor vehicle that:

6.16 (1) is owned as a leisure pursuit;

6.17 (2) is not used for general transportation purposes; and

6.18 (3) is driven less than 10,000 miles annually;

6.19 must be listed for taxation and registration as provided by paragraph (b).

6.20 (b) An affidavit must be executed stating:

6.21 (1) the name and address of the owner;

6.22 (2) the name and address of the person from whom purchased;

6.23 (3) the make of the motor vehicle;

6.24 (4) the year and number of the model;

6.25 (5) the manufacturer's identification number;

6.26 (6) the mileage of the vehicle on the date the registration is submitted;

6.27 (7) that the vehicle is owned as a leisure pursuit;

6.28 (8) that the vehicle is not used for general transportation purposes; and

6.29 (9) the vehicle is driven less than 10,000 miles annually.

7.1 The owner must also prove that the owner has one or more vehicles with regular license
 7.2 plates. If the commissioner is satisfied that the affidavit is true and correct and the owner
 7.3 pays a \$50 tax and the plate fee authorized under section 168.12, the commissioner must
 7.4 list such vehicle for taxation and registration and must issue a single number plate.

7.5 (c) The number plate issued must bear the inscription "Special Interest Vehicle,"
 7.6 "Minnesota," and the registration number or other combination of characters authorized
 7.7 under section 168.12, subdivision 2a, but no date. In designing the plate, the commissioner
 7.8 must consult with the Minnesota United Car Council (MUCC). The number plate is valid
 7.9 without renewal as long as the vehicle is in existence in Minnesota. The commissioner has
 7.10 the power to revoke such plate for failure to comply with this subdivision.

7.11 Sec. 7. Minnesota Statutes 2020, section 168.12, subdivision 2a, is amended to read:

7.12 Subd. 2a. **Personalized plates; rules.** (a) The commissioner may issue personalized
 7.13 plates or, if requested for special plates issued under section 168.123 for veterans, 168.124
 7.14 for medal of honor recipients, or 168.125 for former prisoners of war, applicable personalized
 7.15 special veterans plates, to an applicant who:

7.16 (1) is an owner of a passenger automobile including a passenger automobile registered
 7.17 as a classic car, pioneer car, collector car, ~~or~~ street rod, or special interest vehicle; any truck
 7.18 with a manufacturer's nominal rated capacity of one ton or less and resembling a pickup
 7.19 truck; a motorcycle, including a classic motorcycle; a motorized bicycle; a commuter van
 7.20 as defined in section 168.126; or a recreational vehicle;

7.21 (2) pays a onetime fee of \$100 and any other fees required by this chapter;

7.22 (3) pays the registration tax required by this chapter for the motor vehicle; and

7.23 (4) complies with this chapter and rules governing registration of motor vehicles and
 7.24 licensing of drivers.

7.25 (b) The commissioner shall charge a replacement fee for personalized license plates and
 7.26 personalized special veterans plates issued under section 168.123 as specified in subdivision
 7.27 5. This fee must be paid by the applicant whenever the personalized plates are required to
 7.28 be replaced by law, except that as provided in section 168.124, subdivision 3, and 168.125,
 7.29 subdivision 1b, no fee may be charged to replace plates issued under those sections.

7.30 (c) In lieu of the registration number assigned as provided in subdivision 1, personalized
 7.31 plates and personalized special veterans plates must have imprinted on them a series of not
 7.32 more than seven numbers and letters, or five numbers and letters for personalized special
 7.33 veterans plates, in any combination and, as applicable, satisfy the design requirements of

8.1 section 168.123, 168.124, or 168.125. When an applicant has once obtained personalized
8.2 plates or personalized special veterans plates, the applicant shall have a prior claim for
8.3 similar personalized plates or personalized special veterans plates in the next succeeding
8.4 year as long as current motor vehicle registration is maintained.

8.5 (d) The commissioner shall adopt rules in the manner provided by chapter 14, regulating
8.6 the issuance and transfer of personalized plates and personalized special veterans plates.
8.7 No words or combination of letters placed on these plates may be used for commercial
8.8 advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would
8.9 offend public morals or decency. The call signals or letters of a radio or television station
8.10 are not commercial advertising for the purposes of this subdivision.

8.11 (e) Despite the provisions of subdivision 1, personalized plates and personalized special
8.12 veterans plates issued under this subdivision may be transferred to another motor vehicle
8.13 listed in paragraph (a) and owned by the applicant, upon the payment of a fee of \$5.

8.14 (f) The commissioner may by rule specify the format for notification.

8.15 (g) A personalized plate or personalized special veterans plate issued for a classic car,
8.16 pioneer car, collector car, street rod, special interest vehicle, or classic motorcycle may not
8.17 be transferred to a vehicle not eligible for such a plate.

8.18 (h) Despite any law to the contrary, if the personalized license plates are lost, stolen, or
8.19 destroyed, the applicant may apply and must be issued duplicate license plates bearing the
8.20 same combination of letters and numbers and the same design as (1) the former personalized
8.21 plates or personalized special veterans plates under section 168.123 upon the payment of
8.22 the fee required by section 168.29 or (2) the former personalized special veterans plates
8.23 issued under section 168.124 or 168.125, without charge.

8.24 (i) A personalized vertical motorcycle plate may be issued upon payment of an additional
8.25 payment of \$100. The vertical plate must have not more than four identification characters,
8.26 cannot be a duplication of any current or reserved license plate, and must meet the
8.27 requirements in paragraph (d).

8.28 Sec. 8. Minnesota Statutes 2020, section 169.64, subdivision 2, is amended to read:

8.29 Subd. 2. **Colored light.** (a) Unless otherwise authorized by the commissioner of public
8.30 safety, no vehicle shall be equipped, nor shall any person drive or move any vehicle or
8.31 equipment upon any highway with any lamp or device displaying a red light or any colored
8.32 light other than those required or permitted in this chapter.

9.1 (b) A vehicle manufactured for use as an emergency vehicle may display and use colored
9.2 lights that are not otherwise required or permitted in this chapter, provided that the vehicle
9.3 is owned and operated according to section 168.10, is owned and operated solely as a
9.4 collector's item and not for general transportation purposes, and is registered under section
9.5 168.10, subdivision 1a, 1b, 1c, 1d, 1g, ~~1h~~, or 1j. A person may not activate the colored
9.6 lights authorized under this paragraph on streets or highways except as part of a parade or
9.7 other special event.

9.8 Sec. 9. Minnesota Statutes 2020, section 169.79, subdivision 4, is amended to read:

9.9 Subd. 4. **Collector's vehicle.** If the vehicle is (1) a collector's vehicle with a pioneer,
9.10 classic car, collector, ~~or street rod~~, or special interest vehicle license; (2) a vehicle that meets
9.11 the requirements of a pioneer, classic, ~~or street rod~~, or special interest vehicle except that
9.12 the vehicle is used for general transportation purposes; or (3) a vehicle that is of model year
9.13 1972 or earlier, not registered under section 168.10, subdivision 1c, and is used for general
9.14 transportation purposes, then one plate must be displayed on the rear of the vehicle, or one
9.15 plate on the front and one on the rear, at the discretion of the owner.

9.16 Sec. 10. Minnesota Statutes 2020, section 239.051, subdivision 6, is amended to read:

9.17 Subd. 6. **Collector vehicle.** "Collector vehicle" means a motor vehicle for which the
9.18 commissioner of public safety has issued a pioneer license, classic car license, collector
9.19 license, ~~or street rod~~, or special interest vehicle license under section 168.10, or a motor
9.20 vehicle registered as a collector vehicle in another state.

9.21 Sec. 11. Minnesota Statutes 2020, section 297B.025, subdivision 2, is amended to read:

9.22 Subd. 2. **Collector vehicle.** A passenger automobile that is registered under section
9.23 168.10, subdivision 1a, 1b, 1c, 1d, ~~or 1h~~, or 1j, or a fire truck registered under section 168.10,
9.24 subdivision 1c, shall be taxed under section 297B.02, subdivision 3. If the vehicle is
9.25 subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c,
9.26 1d, ~~or 1h~~, or 1j, within one year of the date of registration under those subdivisions, it shall
9.27 be subject to the full excise tax imposed under subdivision 1.

9.28 Sec. 12. **REVISOR INSTRUCTION.**

9.29 The revisor shall renumber section 168.10, subdivisions 1d through 1j, so that subdivision
9.30 1j becomes subdivision 1e and the subsequent subdivisions are renumbered accordingly.
9.31 The revisor shall correct any cross-references.