

the purpose of carrying out duties with respect to managed care plans required by S.F. No. 2107, article 4, section 13.

(d) \$68,000 is for adopting the relative value fee schedule as required by S.F. No. 2107, article 4, section 15.

(e) \$500,000 is for the duties under S.F. No. 2107, article 4, not provided for in paragraph (b), (c), or (d).

(f) \$350,000 is for the fraud unit created by S.F. No. 2107, article 3, section 30.

(g) \$170,000 is for the duties created under S.F. No. 2107, article 3, section 29.

(h) The complement of the department of labor and industry is increased by ten positions.

(i) In addition to the increases in paragraph (h), the complement of the department of labor and industry is increased by 15 positions until June 30, 1994.

Presented to the governor April 17, 1992

Signed by the governor April 27, 1992, 2:20 p.m.

CHAPTER 600—H.F.No. 2368

An act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; increasing registration fees for vehicles of motor carriers; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivisions 1 and 3; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.111; 221.121, subdivisions 1, 4, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11.

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

Section 1. Minnesota Statutes 1990, section 221.011, subdivision 7, is amended to read:

Subd. 7. "Certificate" means the certificate of public convenience and necessity ~~which may be issued under the provisions of sections 221.011 to 221.291~~ section 221.071 to a regular route common carrier of passengers, a class I motor carrier, or a petroleum carrier.

Sec. 2. Minnesota Statutes 1990, section 221.011, subdivision 8, is amended to read:

Subd. 8. "Permit" means the license, or franchise, which may be issued to motor carriers other than regular route common carriers of passengers, class I common carriers, and petroleum carriers, under the provisions of this chapter, authorizing the use of the highways of Minnesota for transportation for hire.

Sec. 3. Minnesota Statutes 1990, section 221.011, subdivision 9, is amended to read:

Subd. 9. "Regular route common carrier" means a person who holds out to the public as willing, for hire, to transport passengers ~~or property~~ by motor vehicle between fixed termini over a regular route upon the public highways.

Sec. 4. Minnesota Statutes 1990, section 221.011, subdivision 14, is amended to read:

Subd. 14. "Permit carrier" means a motor carrier embraced within this chapter other than regular route common carriers of passengers, class I carriers, and petroleum carriers.

Sec. 5. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 35. TRUCKLOAD FREIGHT. "Truckload freight" means freight collected by a motor carrier (1) from one consignor at a single place and delivered directly to one or more consignees, or (2) from one or more consignors and delivered directly to one consignee at a single place.

Sec. 6. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 36. LESS-THAN-TRUCKLOAD FREIGHT. "Less-than-truckload freight" means freight carried by a motor carrier that is not truckload freight.

Sec. 7. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 37. CERTIFICATED CARRIER. "Certificated carrier" means a motor carrier holding a certificate issued under section 221.071.

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Sec. 8. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 38. CLASS I CARRIER. "Class I carrier" means a person who has been issued a certificate under section 221.071 to operate as a class I carrier.

Sec. 9. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 39. CLASS II CARRIER. "Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.

Sec. 10. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 40. TERMINAL. "Terminal" means (1) a facility that a motor carrier owns, leases, or otherwise controls, and uses to load, unload, dispense, receive, interchange, gather, or otherwise physically handle freight for shipment, or (2) any other location at which freight is exchanged by motor carriers between vehicles. "Terminal" does not mean a public warehouse with a storage capacity of at least 5,000 square feet that was licensed under chapter 231 on or before March 1, 1992.

Sec. 11. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 41. TEMPERATURE-CONTROLLED COMMODITY. "Temperature-controlled commodity" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature controlled vehicles.

Sec. 12. Minnesota Statutes 1990, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY TO ISSUE PENALTY ORDERS.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.041, subdivision 3; (3) section 221.081; (4) section 221.151; (5) section 221.171; (6) section 221.035, of a material term or condition of a license issued under that section 221.035; or of a rule or order of the commissioner relating to the transportation of hazardous waste. An order must be issued as provided in this section.

Sec. 13. Minnesota Statutes 1990, section 221.036, subdivision 3, is amended to read:

Subd. 3. **AMOUNT OF PENALTY; CONSIDERATIONS.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all viola-

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tions of section 221.021; 221.041, subdivision 3; 221.081; or 221.171, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.035 identified during a single inspection or audit.

~~(b)~~ (c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

Sec. 14. Minnesota Statutes 1990, section 221.041, is amended to read:

221.041 RATE-MAKING POWERS.

Subdivision 1. **CONSIDERATIONS; PROCEDURES.** The board shall fix and establish just, reasonable, and nondiscriminatory rates, fares, charges, and the rules and classifications incident to tariffs for ~~regular route common carriers and petroleum~~ certificated carriers. In prescribing rates, fares, charges, classifications, and rules for the carrying of freight, persons, or property, the board shall take into consideration the effect of the proposed rates or fares upon the users of the service and upon competitive carriers by motor vehicle and rail and, insofar as possible, avoid rates and fares which will result in unreasonable and destructive competition. In making its determination, the board shall consider, among other things, the cost of the service rendered by the carrier, including an adequate sum for maintenance and depreciation, and an adequate operating ratio under honest, economical, and efficient management. No rate or fares may be put into effect or changed or altered except upon hearing duly had and an order therefor by the board, or except as herein otherwise provided. The board may authorize rate changes ex parte which, in its opinion, are not of sufficient import to require a hearing. In an emergency, the board may order a change in existing rates or fares without a hearing. In instances of ex parte or emergency orders, the board shall, within five days, serve a copy of its order granting the change in rates upon parties which the board deems interested in the matter, including competing carriers. An interested party shall have 30 days from the date of the

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issuance of the order to object to the order. If objection is made, the board shall determine whether a hearing is necessary for resolution of the material issues relating to the proposed change in rates. On finding that a hearing is unnecessary for this purpose, the board, no sooner than 30 days after issuing its initial order granting the change in rates, may enter an order finally disposing of the rate change application. On determining otherwise, the board may take final action on the rate change application and the objections to it only after a contested case hearing has been conducted under chapter 14.

Subd. 2. **FILING.** A ~~regular route common carrier and a petroleum~~ certificated carrier, upon approval by the board of its rates, fares, charges, and rules and classifications incident to tariffs shall file its rates, fares, charges, and tariffs with the commissioner. Filings must be prepared and filed in the manner prescribed by the commissioner. The commissioner may not accept for filing rates, fares, charges, and tariffs which have not been approved by the board.

Subd. 3. **PROHIBITIONS; COMPENSATION AND TIME SCHEDULES.** No ~~regular route common carrier or petroleum~~ certificated carrier may charge or receive a greater or less or different compensation for the transportation of passengers or property or for service in connection therewith than the rates, fares, and charges and the rules and classifications governing the same which have been duly approved therefor by order of the board; ~~nor may.~~ A ~~regular route common carrier or petroleum~~ certificated carrier may not refund or remit in any manner or by any device a portion of those rates, fares, and charges required to be collected under the board's order; nor extend to a shipper or person a privilege or facilities in connection with the transportation of passengers or property except as are authorized under the order of the board. No passenger-carrying regular route common carrier may alter or change its time schedules except upon order of the board. The order may be issued ex parte unless the board decides that the public interest requires that a hearing be ~~had thereon~~ held.

Subd. 4. **NONAPPLICABILITY.** This section does not apply to any regular-route passenger transportation being performed with operating assistance provided by the regional transit board.

Sec. 15. Minnesota Statutes 1990, section 221.051, is amended to read:

221.051 ABANDONMENT OR DISCONTINUANCE OF SERVICE.

No regular route common carrier ~~shall~~ of passengers or class I carrier may abandon or discontinue any service required under its certificate without an order of the board therefor, except in cases of emergency or conditions beyond its control.

A passenger regular route common carrier may depart from the route over which it is authorized to operate for the purpose of transporting chartered or excursion parties to any point in the state of Minnesota on such terms and conditions as the board may prescribe.

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Sec. 16. Minnesota Statutes 1990, section 221.061, is amended to read:

221.061 OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.

A person desiring a certificate authorizing operation as a regular route common carrier of passengers, a class I carrier, or petroleum carrier, or an extension of or amendment to that certificate, shall file a petition with the commissioner which must contain information as the board and commissioner, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of \$300 and for a transfer or lease of the certificate the sum of \$300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 17. Minnesota Statutes 1990, section 221.071, subdivision 1, is amended to read:

Subdivision 1. **CONSIDERATIONS; TEMPORARY CERTIFICATES; AMENDING.** If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity require the granting of the petition or a part of the petition, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected, to the transportation service being furnished by a railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted terms and conditions as in its judgment public convenience and necessity may require. If the petitioner is seeking authority to operate regular-route transit service wholly within the seven-county metropolitan area with operating assistance provided by the regional transit board, the board shall consider only whether the petitioner is fit and able to perform the proposed service. The operating authority granted to such a petitioner must be the operating authority for which the petitioner is receiving operating assistance from the regional transit board. A carrier receiving operating assis-

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tance from the regional transit board may amend the certificate to provide for additional routes by filing a copy of the amendment with the board, and approval of the amendment by the board is not required if the additional service is provided with operating assistance from the regional transit board.

The board may grant a temporary certificate, ex parte, valid for a period not exceeding 180 days, upon a showing that no regular route common carrier or petroleum carrier is then authorized to serve on the route sought, that no other petition is on file with the board covering the route, and that a need for the proposed service exists.

A certificate ~~issued to a regular route common carrier or petroleum carrier~~ may be amended by the board on ex parte petition and payment of a \$25 fee to the commissioner, to grant an additional or alternate route if there is no other means of transportation over the proposed additional route or between its termini, and the proposed additional route does not exceed ten miles in length.

Sec. 18. [221.072] CLASS I CARRIERS.

Subdivision 1. AUTHORITY. The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.

Subd. 2. EXCEPTIONS. This section does not apply to any carrier listed in section 221.111, clauses (3) to (9).

Subd. 3. OPERATION. A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.

Sec. 19. Minnesota Statutes 1990, section 221.111, is amended to read:

221.111 PERMITS TO OTHER MOTOR CARRIERS.

Motor carriers other than ~~regular route common carriers; petroleum certified carriers; and local cartage carriers;~~ shall obtain a permit in accordance with section 221.121; ~~including irregular route carriers; livestock carriers; contract carriers; charter carriers; and courier service carriers.~~ The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;

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- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits; and
- (9) temperature-controlled commodities permits.

Sec. 20. Minnesota Statutes 1990, section 221.121, subdivision 1, is amended to read:

Subdivision 1. **PERMIT CARRIERS.** (a) A person desiring to operate as a permit carrier, except as a ~~livestock carrier, or a local cartage carrier~~ provided in subdivision 5 or section 221.296, shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers. No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 21. Minnesota Statutes 1990, section 221.121, subdivision 4, is amended to read:

Subd. 4. **EXTENSIONS OF AUTHORITY.** The board may grant exten-

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sions of authority ex parte after due notice of a petition has been published. A party desiring to protest the petition shall file its protest by mail or in person within 20 days of the date of notice, except that no protest may be filed against an application submitted under subdivision 6f. If a timely filed protest is received, the matter must be placed on the calendar for hearing. If a timely protest is not received, the board may issue its order ex parte.

Sec. 22. Minnesota Statutes 1990, section 221.121, subdivision 6a, is amended to read:

Subd. 6a. **HOUSEHOLD GOODS CARRIER.** A person who desires to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request ~~an irregular route common carrier~~ a household goods mover permit with authority to transport household goods. The permit granted by the board to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as ~~an irregular route common carrier of a household goods mover.~~ A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have ~~an irregular route common carrier permit with authority to transport a household goods mover permit.~~

Sec. 23. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6c. **CLASS II CARRIERS.** A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal. For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2) "terminal" does not include a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Sec. 24. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6d. **TEMPERATURE-CONTROLLED COMMODITIES CARRIERS.** A person who desires to hold out or to operate as a carrier of temperature-controlled commodities shall follow the procedure established in subdivision 1

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and shall specifically request a temperature-controlled commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of temperature-controlled commodities.

Sec. 25. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6e. CLASS II-T PERMITS. A holder of a class II-T permit may transport truckload freight to and from any point named in the permit without restriction as to routes, schedules, or frequency of service.

Sec. 26. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6f. CLASS II-L PERMITS. (a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.

(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from points within the geographic area the carrier was authorized to serve on December 31, 1992, that were not listed in the carrier's permit. Service by a carrier under this paragraph may be provided no more often than on 24 days in a 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit to add points within the geographic area the carrier was authorized to serve on December 31, 1992. The carrier must submit to the commissioner an application on a form provided by the commissioner; the application must name the points proposed to be served and include evidence of need for the proposed service. Evidence of need may consist of a letter from a consignor attesting to need for the proposed service and intent to use the proposed service. The commissioner shall transmit the application to the board. The board shall publish notice of an approved application in the board's weekly calendar. Failure by the board to deny the application within ten days after receipt of the application from the commissioner constitutes approval of the application.

Sec. 27. Minnesota Statutes 1990, section 221.131, subdivision 2, is amended to read:

Subd. 2. PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION. The permit holder shall pay an annual registration fee of \$20 \$40 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this sec-

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tion if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and a transfer fee of \$10. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost or damaged. The total annual registration fee per vehicle for class II-T, class II-L, household goods mover, and temperature controlled commodities permit holders, or any combination thereof, shall not exceed \$40 per vehicle.

Sec. 28. Minnesota Statutes 1990, section 221.131, subdivision 3, is amended to read:

Subd. 3. **CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.** ~~Regular route common carriers and petroleum~~ Certificated carriers; operating under sections 221.011 to 221.291; shall annually pay into the treasury of the state of Minnesota an annual registration fee of ~~\$20~~ \$40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 29. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. **IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS MOVERS.** ~~An irregular route common carrier of~~ A household goods mover shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the ~~irregular route common carrier of~~ household goods mover permit was issued and whose operations are being insured. ~~A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 30. Minnesota Statutes 1990, section 221.151, is amended by adding a subdivision to read:

Subd. 3. TRANSFER OF CERTAIN AUTHORITY. Operating authority

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described in section 26, paragraph (c), that has not been added to the motor carrier's permit under section 26, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.

Sec. 31. [221.152] CONVERSION OF PERMITS.

Subdivision 1. EXPIRATION OF OPERATING AUTHORITY. Except as provided in subdivision 3, paragraph (c), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

Subd. 2. CONVERSION. All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.

Subd. 3. ISSUANCE OF NEW CERTIFICATES AND PERMITS. (a) By September 1, 1992, a motor carrier described in subdivision 2 must submit to the commissioner an application for conversion. The application must be on a form prescribed by the commissioner and must be accompanied by an application fee of \$50. The application must state: (1) the name and address of the applicant; (2) the identifying number of the expiring certificates or permits the applicant wishes to convert; and (3) other information the commissioner deems necessary. An applicant for a class II-L permit must also submit a statement of the extent of operating authority that the applicant holds under the applicant's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually exercised as described in section 221.151, subdivision 1.

(b) The commissioner shall transmit to the board all applications that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on applications submitted under this subdivision. Within 60 days after receiving an application under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the application if it finds that the issuance is authorized under this section. An application submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the application.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in

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paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. AUTHORITY CONVERTED. (a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to an applicant under this subdivision that names points that the permit holder did not serve at any time in the two years before the effective date of this section.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who, before January 1, 1993, held an irregular route common carrier permit under which the person transported temperature-controlled commodities applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant a temperature-controlled commodities permit with authority to operate in the same geographic area authorized under the person's irregular route common carrier permit and a class II permit.

(e) A permit holder that received its permit less than 24 months prior to the effective date of this act shall be authorized by the board to operate for a period of up to 24 months or December 31, 1993, whichever occurs first. Prior to January 1, 1994, the permit holder shall follow the procedures for conversion of permits contained in section 31. The board shall extend the permit up to June 30, 1994, as required to convert the permit.

Sec. 32. TRANSITION.

By August 1, 1992, the commissioner shall send a notice by certified mail, return receipt requested, to all holders of certificates and permits that expire January 1, 1993, under this act. The notice must summarize the requirements for conversion of the certificates and permits and include an application form for conversion. By August 18, 1992, the commissioner shall send a second notice by certified mail, return receipt requested, to all certificate and permit holders who have not submitted an application for conversion.

Sec. 33. APPROPRIATION.

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\$332,000 is appropriated from the trunk highway fund for the fiscal year ending June 30, 1993, for the purpose of implementing sections 1 to 32. This appropriation is available during the fiscal year ending June 30, 1992. Of this amount, \$307,000 is appropriated to the commissioner of transportation and \$25,000 is appropriated to the transportation regulation board. The complement of the department of transportation is increased by seven positions.

Sec. 34. **REPEALER.**

Minnesota Statutes 1990, section 221.011, subdivision 11, is repealed.

Sec. 35. **EFFECTIVE DATE.**

Sections 1 to 30 and 34 are effective January 1, 1993. Sections 31 and 32 are effective the day following final enactment. Section 33 is effective July 1, 1992.

Presented to the governor April 17, 1992

Signed by the governor April 29, 1992, 8:38 a.m.

CHAPTER 601—H.F.No. 1453

An act relating to the environment; modifying procedures for creating sanitary districts; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; expanding the authority of the public facilities authority to set and collect fees; requiring a study and report; authorizing bonds for the city of Cloquet for a water line extension; allocating appropriations; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; 115.19; 115.20, subdivisions 1, 2, 3, 4, 5, and 6; 446A.04, subdivision 5; and 446A.07, subdivision 8; Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

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

Section 1. Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **WATER USE PERMIT PROCESSING FEE.** (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;

(2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

New language is indicated by underline, deletions by ~~strikeout~~.