



2023 MDRA LEGISLATIVE REPORT

The following report is provided to MDRA members which summarizes new laws of interest enacted during the past legislative session as they pertain to the operations of deputy registrars and driver license agents. Specific citations by its chapter law number along with associated article and section number(s) are provided. Varying effective dates are also indicated for each. To view any of these new laws in their full extent, visit www.house.mn and click "*Chapters*" on the left menu and choose "*2023-24 Regular Session*" when prompted. All chapters will be listed in numeric order and available to view.

HOORAY!! The 2023 Legislative Session has concluded with largely successful outcomes for us after our extensive past efforts to reclaim some operational stability and office sustainability in the aftermath of MNLARS and COVID. Certainly, the most critical components this year were the enactment of more filing fee increases and new retained surcharges along with a **separate one-time compensation of \$6 million for all offices** which will be disbursed by mid-July. That amount (*roughly half what was distributed for MNLARS compensation in 2019*) will be augmented by both DL and MV filing fee increases and surcharges which will be ongoing. Estimates provided by the State indicate these increased retained fees alone collectively represents yet an **additional \$14 million annually for offices statewide** when all MV and DL transactions are combined (*DVS handled transactions are not part of this amount quoted*).

Aside from these fiscal achievements, some *King Report* recommendations also became law. This includes new service offerings (with \$5-10 filing fees), providing all offices with both camera **and** eye exam equipment at no cost regardless of when the office was appointed, an appeals process for permanent revocation of access (including prior cases), creating a crime when interfering with a deputy or DL agent in the course of their work, and the repeal of providing certain information over the phone to customers.

These above-mentioned matters are reflected in the Omnibus Transportation act (chapter 68) in this report. Other new laws precede that chapter below for your review. This includes the new “DL for All” act, the new “Paid Family & Medical Leave Program” act, and the Omnibus Environment (DNR) act.

We encourage members to familiarize yourself with these new laws, and seek out professional experts to advise you on certain matters, such as future insurance requirements for employers or other legal matters. Additionally, our state regulators will also be providing offices with direction and guidance on new law implementation. *This report should not be construed as offering you legal advice from MDRA.*

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NEW LAWS FROM THE 2023 LEGISLATIVE SESSION

Chapter Law 13 (HF 4) “DL for ALL” Act:

Changes regarding one’s eligibility for non-compliant DL and ID were enacted, allowing individuals who cannot provide proof of their American citizenship the ability to apply for and receive these state issued credentials. It does **NOT** extend to include Read ID, Enhanced, or any type of CDL license. DVS will be modifying the existing application forms to reflect this change. Agents are forbidden to inquire of the applicant their citizenship, immigration status, or lawful presence (unless for a Real, Enhanced, or CDL credential).

Furthermore, the State and all DL agents are strictly prohibited under penalty of law from disclosing personal identifiable data on any individual applying for the credential provided for in this act to any agency (federal, state, or local) that enforces immigration law. *(This aspect is especially critical for full DL agents to be aware of when they will be allowed to provide some driver and vehicle data upon request beginning in 2024 as described later in this report in the omnibus transportation act provisions.)*

An applicant for any non-compliant card must furnish both a primary and secondary document that provides their name, and may submit their address by attestation. *(A full listing of acceptable documents will be provided to agents.)* The SSN requirement on the application for a non-compliant credential will be amended to allow that the applicant “*elects not to specify*” in providing their SSN, rather than the current language that otherwise indicates that the applicant “is not eligible for an SSN”.

DVS will be providing additional guidance for DL agents regarding this new law, which will become effective **October 1, 2023**.

Chapter Law 59 (HF 2) Paid Family & Medical Leave Program Act:

The Legislature passed a new insurance program for all workers which will provide for up to 20 weeks of paid time off annually to deal with family or medical issues and is modeled after the state’s unemployment insurance program. Similar to the UI fund, this will also be administered by the Department of Employment and Economic Development (DEED) and mostly becomes effective on **January 1, 2026**.

Beginning on that date, a new 0.7% premium rate is imposed based on the individual's taxable wages, of which half that rate would be deducted from their paycheck and the other half matched by the employer. Employers can opt out of the program if they offer private plan benefits that at least equal the benefits under the state plan. Furthermore, this option may be split whereby a private plan could be offered for only the medical leave portion or for only the family leave component, with the remainder being provided through DEED. *(Contribution levels to DEED are then reduced proportionately if such an alternative split offering of these benefits is offered.)* All alternative plan options for employers must be approved by DEED and become effective **July 1, 2025**. *(continued, next page)*

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(Chapter Law 59; Paid Family & Medical Leave Program, continued)

Additionally, for employers with fewer than 30 employees, the amount of wages upon which the employer premium is based (the match amount) will be reduced by a formula (TBD), resulting in a lower employer premium. However, the employee match in these cases will not change. Furthermore, employers with fewer than 30 employees and less than \$3 million in gross annual revenues, may apply for grants up to \$3,000 to hire temporary workers or to increase wages for current employees when an employee takes leave under the program for at least 7 days. This grant program is capped at \$6,000 per year for the employer.

DEED will be providing more guidance and updates to all employers in the coming months regarding this new statutory program. In the meantime, all offices are encouraged to consult with your respective accounting, insurance, and legal advisers to help determine the best approach of compliance with these alternatives in advance of the new law's implementation.

Chapter Law 60 (HF 2310) Omnibus Environment (DNR) Policy and Appropriations:

Within this omnibus act, the following new laws are included:

- Transfer of ownership for off-highway motorcycle, snowmobile, or ATV may be made by the "current" owner (previously "registered" owner). Requires supporting documentation with a bill of sale that includes the vehicle's serial number. Article 4, sections 6, 10, 14; **Effective 8/1/23**.
- New snowmobile registration decal must include its unique registration number printed on it and be affixed to both sides of the sled and be legible to view. Existing large individual registration numbers no longer required after obtaining and affixing the new registration decal. Article 4, sections 7-9, and 99; **Effective 8/1/23**.
- NEW watercraft operator safety course WITH corresponding permit required for any individual over age 12 (but born after 7/1/87) to legally operate any motorboat or personal watercraft that is equipped with a motor capable of over 75HP, limited exemptions apply. Commissioner to create course and associated permit for individuals with online availability for course, test, and permit. Requires DNR to transmit data to DPS for future permit designation on DL/ID credential. Article 4, sections 23-26, 95; **various effective dates starting 7/1/25**.

- Increased state watercraft license fees in all categories of various boat types and lengths of at least double the current rate. Article 4, sections 29-33; **Effective 7/1/23**. *DNR will be updating the ELS system to reflect these new increases for agents.*
- Paperless game and fish license options allowed, requires commissioner to provide paperless options with agents for customers seeking such. Article 4, section 41, 48; **Effective 3/1/26**.
- Proof of residency for a resident game or fish license now includes an unexpired Tribal ID card with applicant's local address shown. Article 4, section 49; **Effective 8/1/23**.
- Resident game licenses extended to include the spouse of any nonresident individual who is stationed in the state while serving in the armed forces or national guard. Does not include moose or elk. Article 4, sections 52-53; **Effective 8/1/23**.

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Chapter Law 68 (HF 2887) Omnibus Transportation Policy and Appropriations:

Within this omnibus act, the following new laws are included:

Direct compensation and increased filing fees for Deputy Registrars and DL Agents:

\$6,000,000 in one-time compensation for all deputy offices. Distribution based on previous fiscal year's total MV transactions by individual office compared to all other (non-state) offices combined.

Compensation begins by 7/15/23. Article 1, section 4, subd. 4(b); **Effective 7/1/23**.

\$1 MV filing fee increase (tabs/titles/prorate). Article 3, section 6; **Effective 10/1/23**.

\$1 MV mandatory surcharge (tabs/titles/prorate) for deputy assessment and retention only. (*Not applied on any DVS handled transactions*). Article 3, section 6; **Effective 1/1/24**.

DL/ID filing fee increases of \$8 for all types of new applications, and **\$3 increase** for all types of renewal applications. DVS must now provide both camera and eye exam equipment to existing full-service DL agents regardless of when appointed. Article 3, section 16; **Effective 10/1/23**.

\$750,000 in FY 24 and **\$120,000** in FY 25 for reimbursement to limited DL offices for their purchase of camera and eye exam equipment to become full service. Reimbursement is capped at \$15,000 per office seeking this transition. Article 1, section 4, subd. 4(a); **Effective 7/1/23**. (*Limited agents seeking this expansion should contact DVS before purchasing any equipment.*)

- New service offerings (for full-serve DL agents only and mandatory) to provide copies of DL record, ID record, instruction permit record, vehicle registration record, and vehicle title record. Certified copy for a **\$10** fee or uncertified copy for a **\$9** fee. (If copy not available in electronic format, additional fee of \$1 per printed page is permitted.) Full fee retained by deputy office with 50-cents remitted back to DVS. An additional 50-cent surcharge is assessed on each record request and is to be forwarded to DVS, unless the requester is the subject of the data sought.

- Accident reports also provided for, but with a **\$5** fee (and 50-cents remitted to DVS). Limited to individual(s), their relatives, legal counsel, and insurance representatives suffering loss as well as local prosecutors.

All these new service offers are **effective 1/1/24**. DVS will also be monitoring and auditing these new transactions for appropriateness. Article 6, sections 2-8.

It will be critical that all full-service offices receive proper training and guidance from DVS prior to offering these services starting 1/1/24.

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(Chapter 68; Omnibus Transportation, continued)

Deputy Registrar/Driver License Agent policy changes:

- New law will allow access to MNDRIVE without reprisal when resolving a customer issue with no corresponding transaction. DVS may still take “disciplinary actions” for data access violations ranging from formal to informal “corrective” actions that may include suspension, as well as a permanent revocation of access if warranted. An appeals process is established for any permanent revocation, including retroactively for past actions in this regard. **Effective 10/1/23** (retroactive appeals for revocations from 10/1/18 to 9/30/23 must be submitted before 6/30/24); Article 6, sections 11 and 14.
- The prohibition on providing motor vehicle information over the phone to customers is repealed. Article 6, section 17; **Effective 8/1/23**.
- Creates a crime of interfering or obstructing by means of force or the threat of force towards a deputy registrar or driver license agent during their performance of official duties. Article 5, section 51; **Effective 8/1/23**.

Other DL policy changes:

- **State** fees raised for all credential types issued for DL, ID, and permits with increases of either \$6 or \$6.75. Article 3, section 14; **Effective 7/1/23**.
- DL exam waived for new residents from other states with otherwise valid credential from previous state and over age 21. Article 6, section 13; **Effective 8/1/23**.
- Veteran designation on DL expanded to include retired members of National Guard or reserve component of the U.S. armed forces. Applicants must provide a certified copy of honorable discharge or general discharge under honorable conditions, or (newly added) a military retiree ID card, veteran ID card, or veteran health ID card. Article 4, section 59; **Effective 8/1/23**.
- DL allowed for a minor regarding medical reasons to care for a relative. The 6-month instruction permit, and the 12-month provisional license requirement is waived in these cases whereby an eligible applicant is at least 15 and not over 16 and has written statement by a relative or doctor. Article 4, section 55; **Effective 8/1/23**.

- Restricted license for a minor performing farm work is expanded to include “non-family” based farm work, requires written statement from farm owner. Article 5, section 34; **Effective 8/1/23.**
- Caretaker contact information on DL application to be provided with up to three individuals being named as in the cardholder’s exclusive care. The names provided can be changed at any time at no cost. Article 5, sections 35 and 38; **Effective 8/1/23.**
- Acceptable Real ID documents expanded to now include Health Savings Account statement; Retirement Account statement; affidavit of residence at a group home, co-op, communal living arrangement, or religious order (*no more than 90 days prior to application*); assisted living or nursing home statement (*no more than 90 days prior to application*); and student summary report signed by high school principal no more than 180 days prior to application. Cable and internet bills are recognized as “utility bills”. Article 5, section 37; **Effective 8/1/23.**

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(Chapter 68; Omnibus Transportation, other DL policy changes continued)

- “Retroactive DL reinstatement” may be provided to certain cardholders whose DL suspension was due to non-appearance for court in certain (misdemeanor) cases. Provides for \$20 reinstatement fee. (*Seeking further guidance from DVS on this matter.*) Article 4, section 107; **Effective 8/1/23.**
- Veterans with a total service-connected disability receive free DL or ID and are exempt from any filing fee, credential fee, or associated surcharge. Applicant must provide documentation from DVA, US Veterans Affairs, or retirement board of any US military branch attesting that the individual has a 100% total and permanent service-connected disability rating. Article 3, section 15; **Effective 1/1/24.**
- Race and ethnicity data collection authorized on DL and ID application forms for DVS. Article 4, section 3; **Effective 1/1/24.**
- Qualifications regarding instruction permit for individuals under 18 will recognize certain teleconference driver ed programs and online driver ed programs if approved by the Department. Article 4, section 56; **Effective 8/1/23.**
- New “reintegration” DL for certain formerly incarcerated individuals over age 18 having served at least 180 days and had their DL suspended or revoked prior to sentencing. DL is valid for 15 months and cannot be renewed as a reintegration credential. Unpaid fines and past associated fees waived for this credential, but not forgiven which otherwise become due upon application for new DL after expiration of the reintegration DL. Reintegration DL is a **FREE** service with no state fee or agent filing fee assessed. (*Seeking further guidance from DVS on this matter.*) Article 4, section 61; **Effective 4/1/24.**
- PROPOSED DL ONLINE SERVICE OFFERINGS BY DVS WAS NOT INCLUDED. This proposal that had been under consideration would have allowed DVS to offer DL renewal services online to customers with every other license term.

Other MV policy changes:

- Veterans with a total service-connected disability receive free MV registration, plate, and title services for up to two vehicles (auto, pickup, RV, motorcycle). Total fee exemption does not

include a personalized plate fee or any required contributions for a specialty plate. Same documentation requirements as listed above with first bullet for similar free DL or ID. Article 3, sections 4 and 7; Effective 1/1/24.

- Disability certificate eligibility expanded to include individuals who are legally blind and for pregnant women experiencing physical disabilities. Article 4, section 49; **Effective 8/1/23**.
- Additional specialty license plates:
 - New Lions Club Int'l plate; \$25 initial contribution, \$5 minimum annually thereafter.
 - New MN Pro-Sports Team Foundation plate; \$30 annual contribution.
 - New MN Missing & Murdered Indigenous Relatives plate; \$25 annual contribution.
 - New "black-out" plate; \$30 annual contribution (dedicated to DVS).
 - All above within Article 4, sections 36-39; **Effective 1/1/24**.

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(Chapter 68; Omnibus Transportation, Other MV policy changes continued)

- Applicant eligibility for special plate emblem is expanded to include any member of Disabled American Veterans. Article 5, section 13; **Effective 8/1/23**.
- Individuals eligible for Gold Star plates may request them as personalized and not be charged the otherwise associated \$100 fee. Article 5, section 14; **Effective 8/1/23**.

Reports by DVS and DPS to the Legislature:

- **DVS** must report to the legislature by **1-15-24** their recommendations regarding any outstanding Independent Expert Review (King report) recommendations not enacted yet. This includes, among others:
 - How to encourage all offices to become full-service providers.
 - Creating a deputy registrar/DL agent scorecard on customer performance.
 - Rapid response from DVS to deputy registrar/DL agent inquiries.
 - Accelerated background checks on new hires.
 - Enhanced security measures at offices, including security officers and cameras.
 - De-escalation training for public-facing staff.(Article 6, section 16; **Effective immediately**.)
- **DPS** must report to the legislature by **1-15-25** with a review of deputy registrar and driver license agent operations with their findings concerning the following:
 - Overall operations and sustainability.
 - Evaluate current performance and quality of service.
 - Recommendations on financial sustainability.
 - Amount of financial assistance necessary to sustain operations.
 - Impact of expanded online service offerings.
 - Provide a 5/10/20 year analysis of deputy registrar and driver license role.
 - Evaluate cost of DVS assuming all DR/DLA operations or cost to assume private offices.
 - Deputies must provide DPS with financial information to commissioner upon request (any data from corporate offices would be classified as private).(Article 6, section 15; **Effective immediately**.)

Other miscellaneous provisions:

- Expanded (full service) deputy office approved for Hennepin County at their existing North Minneapolis location. (Article 4, section 103)
- New private deputy office created for Hmong Village in East Saint Paul. (Article 4, section 108)
- State MV registration tax is increased on **1/1/24** whereby:
 - Base tax is 1.54% (previously 1.25) if registered before 11/16/20, otherwise the base tax is 1.575% (previously 1.285) if registered after 11/16/20. Each features a ten-year depreciation schedule that culminates with a minimum tax of \$20 (previously \$25) after year 10. (Article 3, section 5)
- Retail delivery fee imposed of 50-cents per delivery with items in excess of \$100, exemptions for certain products (food) and for retailers with less than \$1 million in annual sales. Article 3, sections 8-12; Effective **7/1/24**.

**** END OF 2023 MDRA LEGISLATIVE REPORT ****