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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1174

02/19/2025

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The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to transportation; modifying various provisions related to driver and vehicle
- 1.3 services; requiring distribution of money to deputy registrars for no-fee transactions;
- 1.4 modifying driver's license examination requirements; establishing online renewal
- 1.5 of drivers' licenses; requiring a report; appropriating money; amending Minnesota
- 1.6 Statutes 2024, sections 168.33, subdivision 7; 171.06, by adding a subdivision;
- 1.7 171.13, subdivision 1.
- 1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.9 Section 1. Minnesota Statutes 2024, section 168.33, subdivision 7, is amended to read:
- 1.10 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes:
- 1.11 (1) an \$8 filing fee is imposed on every vehicle registration renewal, excluding pro rate
- 1.12 transactions; and
- 1.13 (2) a \$12 filing fee is imposed on every other type of vehicle transaction, including motor
- 1.14 carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.
- 1.15 (b) Notwithstanding paragraph (a):
- 1.16 (1) a filing fee may not be charged for a document returned for a refund or for a correction
- 1.17 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and
- 1.18 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a
- 1.19 vehicle.
- 1.20 (c) The filing fee must be shown as a separate item on all registration renewal notices
- 1.21 sent out by the commissioner.

(d) The statutory fees and taxes, the filing fees imposed under paragraph (a), and the surcharge imposed under paragraph (f) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the payment made under this paragraph not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$6.50 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(ii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3; and

(2) of the fees collected under paragraph (a), clause (2):

(i) \$3.50 must be deposited in the general fund;

(ii) \$7 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(iii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3.

(f) In addition to all other statutory fees and taxes, a deputy registrar must assess a \$1 surcharge on every transaction for which filing fees are collected under this subdivision. The surcharge authorized by this paragraph must be (1) deposited in the treasury of the place for which the deputy registrar is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy registrar. For purposes of this paragraph, a deputy registrar does not include the commissioner.

(g) At least quarterly, the commissioner must compile data related to transactions completed by deputy registrars for which no filing fee under this section was collected and distribute to each deputy registrar an amount calculated as the sum of: (1) the number of no-fee vehicle registration renewals completed by that deputy registrar, multiplied by \$9; and (2) the number of all other no-fee vehicle transactions completed by that deputy registrar, multiplied by \$13. A transaction must not be included in the calculation under this paragraph if it is a correction to a transaction completed by a deputy registrar. The total amount distributed to deputy registrars under this paragraph is appropriated to the commissioner from the driver and vehicle services operating account in the special revenue fund.

3.1 **EFFECTIVE DATE.** This section is effective July 1, 2025.

3.2 Sec. 2. Minnesota Statutes 2024, section 171.06, is amended by adding a subdivision to
3.3 read:

3.4 Subd. 7a. **REAL ID-compliant and noncompliant drivers' licenses; online renewal.** (a)
3.5 For purposes of this subdivision, "applicant" or "renewal applicant" means a person who
3.6 renews a REAL ID-compliant or noncompliant driver's license or identification card through
3.7 the department's online renewal system established in this subdivision.

3.8 (b) The commissioner must establish a process for an applicant to renew a REAL
3.9 ID-compliant or noncompliant driver's license or identification card, whether by website or
3.10 some other means, as provided by this subdivision.

3.11 (c) The commissioner may renew a REAL ID-compliant or noncompliant driver's license
3.12 or identification card for an individual who does not renew in person if:

3.13 (1) there is no material change in identity, including any change to the applicant's name,
3.14 address, signature, and driver's license or identification card number;

3.15 (2) the renewal application is not for a different type or class of driver's license or
3.16 identification card;

3.17 (3) the renewal application is not for an enhanced driver's license or identification card;

3.18 (4) the commissioner has a previous photograph of the applicant on file that was taken
3.19 within the last five years or in conjunction with the most recent issuance of the applicant's
3.20 current credential; and

3.21 (5) for a driver's license renewal, the applicant submits a vision examination certificate
3.22 that:

3.23 (i) has been completed within the last two years;

3.24 (ii) is signed by a licensed physician or an optometrist, including one who holds a similar
3.25 license in a jurisdiction outside the United States; and

3.26 (iii) is in a form prescribed by the commissioner.

3.27 (d) The commissioner must use the photograph on file as specified in paragraph (c),
3.28 clause (4), for the applicant's REAL ID-compliant or noncompliant driver's license or
3.29 identification card.

3.30 (e) The commissioner must provide detailed and easily accessible information on the
3.31 department's website about online renewals for REAL ID-compliant and noncompliant

drivers' licenses and identification cards. The information must be clearly organized to assist an applicant in completing online renewal, including but not limited to the photograph and vision examination requirements under this section and section 171.13, subdivision 1.

(f) By each July 31, 50 percent of the revenue collected in the previous fiscal year from the filing fees assessed for transactions completed under this subdivision must be distributed as payments to each full-service provider and driver's license agent that was in operation during the last quarter of the previous fiscal year. The distribution must be based proportionally on the total number of transactions completed by each full-service provider and driver's license agent. For the purposes of the distribution calculation in this paragraph, the number of transactions completed by a driver's license agent must first be multiplied by 0.2. The amount to be distributed under this paragraph is appropriated to the commissioner from the driver and vehicle services operating account in the special revenue fund.

EFFECTIVE DATE. This section is effective January 1, 2026, for renewals made on or after that date.

Sec. 3. Minnesota Statutes 2024, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) one of the following:

(i) a test of the applicant's eyesight, ~~provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7; or~~

(ii) submission of a vision examination certificate by the applicant meeting the requirements of the commissioner under section 171.06, subdivision 7 or 7a;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of: (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to vulnerable road users and motorcyclists,

5.1 including but not limited to operators of bicycles and pedestrians; and (vii) the circumstances
5.2 and dangers of carbon monoxide poisoning;

5.3 (4) an actual demonstration of ability to exercise ordinary and reasonable control in the
5.4 operation of a motor vehicle; and

5.5 (5) other physical and mental examinations as the commissioner finds necessary to
5.6 determine the applicant's fitness to operate a motor vehicle safely upon the highways.

5.7 (b) Notwithstanding paragraph (a), the commissioner must not deny an application for
5.8 a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in
5.9 color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans
5.10 operating motor vehicles especially equipped for disabled persons, if otherwise entitled to
5.11 a license, must be granted such license.

5.12 (c) The commissioner must ensure that an applicant may take an exam either in the
5.13 county where the applicant resides or in an adjacent county at a reasonably convenient
5.14 location. The schedule for each exam station must be posted on the department's website.

5.15 (d) The commissioner shall ensure that an applicant is able to obtain an appointment for
5.16 an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the
5.17 applicant's request if, under the applicable statutes and rules of the commissioner, the
5.18 applicant is eligible to take the examination.

5.19 (e) The commissioner must provide real-time information on the department's website
5.20 about the availability and location of exam appointments. The website must show the next
5.21 available exam dates and times for each exam station. The website must also provide an
5.22 option for a person to enter an address to see the date and time of the next available exam
5.23 at each exam station sorted by distance from the address provided.

5.24 **EFFECTIVE DATE.** This section is effective January 1, 2026, for examinations
5.25 administered on or after that date.

5.26 Sec. 4. **REPORT; DRIVER AND VEHICLE SERVICES MAIL AND ONLINE**
5.27 **SERVICES EXPANSION.**

5.28 (a) By February 15, 2026, the commissioner of public safety must report to the chairs
5.29 and ranking minority members of the legislative committees with jurisdiction over
5.30 transportation finance and policy on expanding online and mail services for drivers' licenses
5.31 and identification cards. The report must:

6.1 (1) analyze the online renewal application process established in Minnesota Statutes,
6.2 section 171.06, subdivision 7a;

6.3 (2) evaluate whether to merge the online renewal application process with the remote
6.4 application process provided in Minnesota Statutes, section 171.06, subdivision 7;

6.5 (3) identify performance and service standards for the online renewal application process
6.6 for REAL ID-compliant and noncompliant drivers' licenses and identification cards;

6.7 (4) identify how the department utilized its website to assist the public with the online
6.8 renewal application process and detail the department's efforts required in Minnesota Statutes,
6.9 section 171.06, subdivision 7a, paragraph (e);

6.10 (5) evaluate the photograph requirements for online renewal applications established in
6.11 Minnesota Statutes, section 171.06, subdivision 7a, and make recommendations on the
6.12 procedures needed to permit an applicant to submit by mail or online application a photograph
6.13 to the department that meets the requirements of Minnesota Statutes, sections 171.07 and
6.14 171.071, and Minnesota Rules, part 7410.1810, subpart 1;

6.15 (6) evaluate the vision examination requirements for online driver's license applications
6.16 established in Minnesota Statutes, sections 171.06, subdivision 7a, and 171.13, and make
6.17 recommendations on improvements to the vision examination process, including information
6.18 on permitting applicants to submit a vision certificate for each application in lieu of a vision
6.19 test on site;

6.20 (7) analyze the impact of establishing online renewal for drivers' licenses and
6.21 identification cards on driver's license agents and full-service providers; and

6.22 (8) evaluate and modify, if necessary, the fee-sharing provision under Minnesota Statutes,
6.23 section 171.06, subdivision 7a, paragraph (f), and create additional proposals to institute
6.24 fee-sharing between the commissioner, deputy registrars, and full-service providers as the
6.25 department establishes additional online and mail services, including but not limited to an
6.26 evaluation of fee-sharing for all transactions, online-only transactions, or enacting a new
6.27 fee exclusively for the online renewal of drivers' licenses or identification cards that would
6.28 be shared between the commissioner, deputy registrars, full-service providers, and driver's
6.29 license agents.

6.30 (b) The report required in paragraph (a) must include recommendations to the legislature
6.31 on areas where it is appropriate to expand online services offered by the department and
6.32 how that expansion would impact the quality of services and financial sustainability of
6.33 driver's license agents, deputy registrars, and full-service providers. The report must analyze

- 7.1 and review procedures in other states that offer online driver's license applications and
7.2 renewals. For the information required in paragraph (a), clause (5), the report must compare
7.3 the process for the issuance of a United States passport where a passport applicant may
7.4 submit a secure photograph for use in the credential. For the information required in
7.5 paragraph (a), clause (6), the report must evaluate how other states address vision examination
7.6 requirements for online applications for a driver's license and provide an analysis of the
7.7 time frame required for an examination.
- 7.8 **EFFECTIVE DATE.** This section is effective October 1, 2025.