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Minnesota House of Representatives

Paul Thissen, Speaker

FOR IMMEDIATE RELEASE

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New Laws Effective July 1, 2013

The following is a listing of selected new laws passed during the 2013 legislative session that take effect July 1, 2013. The asterisk following the bill number denotes the language that became law. Summaries of all laws passed by the 2013 Legislature are available online from nonpartisan House Public Information Services at <http://www.house.mn/hinfo/Newlaws2013-0.asp>.

EDUCATION

K-12 law features landmark spending on kindergarten

The state will spend an estimated \$15.7 billion on K-12 education over the next two years, an increase of \$485 million. About half of the new money will go on the basic school funding formula, with increases of 1.5 percent each year. In a first for Minnesota, another \$134 million will fund optional all-day kindergarten statewide starting in the fall of 2014.

Special education will get an additional \$40 million. So will a program that will award thousands of early learning scholarships to 3- and 4-year-olds from low-income families.

The state will use any surplus in its General Fund at the end of fiscal year 2013 to speed repayment of money that legislators previously borrowed from schools. The state has already used surpluses to pay much of that tab, but the new law explicitly makes repaying schools the top priority for the money and requires the commissioner of Minnesota Management & Budget to estimate the amount of the surplus by Sept. 30, 2013.

Beginning with the 2014-2015 school year, the age of compulsory school attendance will increase from 16 to 17, unless the child has graduated.

Rep. Paul Marquart (DFL-Dilworth) and Sen. Chuck Wiger (DFL-Maplewood) sponsor the omnibus legislation.

HF630*/SF453/CH116

Statewide Testing

Schools will say goodbye to high-stakes state graduation exams. Instead of the GRAD tests, students will take – but not have to achieve a minimum score on – a new set of tests in reading, writing and math. Students in grade 11 will take a nationally recognized college entrance exam such as the ACT.

Additionally, by the 2015-2016 school year, students in grades three through seven will take computer-adaptive tests.

World's Best Workforce

The new law calls for school districts to help their students become the world's best workforce. All third-grade students should be able to read, all students should attain career and college readiness before graduation and graduate from high school, and schools must do their utmost to close the achievement gaps between white and minority, poor and rich students.

Under the new law, the education commissioner must identify districts that don't make enough progress toward the goals in any three-year period. In this circumstance, for the next three years, the commissioner may tell those districts how to spend up to 2 percent of their basic general education revenue to accelerate their progress.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Jobs, state's first solar production standard and new housing initiatives

A law that supporters call the best jobs bill in a decade includes additional money for job training and creation, new offices to market state goods overseas and a tax cut for businesses.

It also creates the state's first proposed solar energy production standard, aims to improve broadband service within the state and contains a significant increase in base funding for housing. The law calls for \$461.8 million in spending, of which \$367.76 million will come from the General Fund.

Sponsored by Rep. Tim Mahoney (DFL-St. Paul) and Sen. David Tomassoni (DFL-Chisholm), the following are select provisions in the omnibus jobs, economic development, housing, commerce and energy law.

HF729*/SF1057/CH85

Economic Development

The law appropriates \$30 million in new money for the Minnesota Investment Fund that awards funds to local units of government, which then provides loans to assist expanding businesses.

Further, the law includes \$24 million in new money for a job creation fund that will enable the Department of Employment and Economic Development to help businesses make capital investments and create jobs in the state.

In hopes of attracting more television and film production to the state, the law will provide \$10 million in funding to the Minnesota Film and TV Board to offer financial incentives, such as production cost rebates. The board's oversight will be moved from the Administration Department to DEED.

The lone overseas Minnesota trade office is now in China. The law provides an additional \$1.63 million for three more offices to help Minnesota businesses sell their goods in foreign markets. Furthermore, a State Trade and Export Promotion grant program is established to provide assistance to small businesses interested in exports.

The law also establishes a 15-member trade policy advisory group to advise and assist the governor and Legislature regarding United States trade agreements.

The law spends \$700,000 for the newly created Office of Broadband Development within DEED to improve broadband service within the state to improve accessibility for underserved communities and populations.

Energy

The state's first solar energy production standard is at the core of the energy measures included in the law.

The mandate requires Minnesota's largest utilities to procure or produce 1.5 percent of their energy from photovoltaic solar installations by 2020 and sets a non-mandatory goal of 10 percent of the state's electricity be produced using solar technology by 2030.

Housing

The law contains a \$22 million ongoing base funding increase for the Minnesota Housing Finance Agency, and it includes a one-time \$10 million appropriation for housing in communities and regions that, in part, have low housing vacancy rates, experienced job growth since 2005, have cooperatively developed a plan that identifies current and future housing needs or have a significant portion of area employees who commute more than 30 miles to their job.

ENVIRONMENT, NATURAL RESOURCES AND AGRICULTURE

Invasive species fight is funded in new environment law

Nearly \$16 million to fight the spread of invasive species across Minnesota and a water quality certification program are two key provisions of the omnibus environment, natural resources and agriculture finance and policy law.

The invasive species money is to be used for management, public awareness, assessment research and inspections to curb the spread of invasive plants and animals on land and in the water.

This appropriation is one of dozens included in the law, which funds and gives direction to hundreds of programs throughout the state.

The law appropriates \$702.1 million for environment and natural resources programs and another \$81.3 million for agriculture programs.

HF976*/SF1170/CH114

Appropriation breakdown

Sponsored by Rep. Jean Wagenius (DFL-Mpls) and Sen. David Tomassoni (DFL-Chisholm), the law also includes:

- \$20.4 million for the Agricultural Growth, Research and Innovation program to develop new markets for Minnesota farmers, facilitate livestock operations and provide for biofuel and other energy development including renewable energy projects for rural residents;
- \$2 million for the state's county fairs to enhance arts access and education to preserve and promote Minnesota's history and cultural heritage;
- \$300,000 to protect pollinator habitat, and language directing the Department of Agriculture to incorporate pollinator habitat best practices into pesticide applicator and county agricultural inspector training; and
- changes to the petroleum replacement goal, lowering the specified biofuel portion of total gasoline sold, or offered for sale, in Minnesota by 2015 from 20 percent to 14 percent, but raising the portion sold, or offered for sale, by 2025 from 25 percent to 30 percent.

LCCMR appropriations to fund 46 natural resource projects

A \$38.16 million appropriation will fund 46 natural resources projects recommended by the Legislative-Citizen Commission on Minnesota Resources.

Nearly one-quarter of the money will go to the University of Minnesota's Aquatic Invasive Species Center – \$4.35 million in fiscal year 2014 and the same amount in fiscal year 2015.

Money for the projects comes from the Environment and Natural Resources Trust Fund, which are funding recommendations to the Legislature from the commission. The fund was created by constitutional amendment in 1988 using money generated by the Minnesota State Lottery.

Rep. Jean Wagenius (DFL-Mpls) and Sen. Kari Dziedzic (DFL-Mpls) sponsor the law, which will allow the university to get started with its work on species such as zebra mussels and carp.

HF1113*/SF987/CH52

Other appropriations include:

- \$3 million to the Board of Water and Soil Resources to continue providing grants to soil and water conservation districts and other units of local and state government to hire staff to re-enroll expiring lands and programs for conservation purposes;
- \$2 million for the University of Minnesota to acquire about 80 acres of land surrounding Lake Tamarack in Carver County as part of the landscape arboretum;
- \$1.5 million to acquire a portion of 12 acres for Frogtown Farm and Park to be established as a St. Paul city park;
- \$1 million for the Department of Natural Resources to acquire authorized state trails and critical parcels within the boundaries of state parks;
- \$1 million for the DNR to continue the update and enhancement of wetland inventory maps for Minnesota; and
- \$200,000 to the University of Minnesota to evaluate and identify native Minnesota elms resistant to Dutch elm disease.

HEALTH AND HUMAN SERVICES

Autism, child care, wage increases are highlights of financing bill

Although the omnibus health and human services finance law reduces the health care budget by \$50 million over the next two years, it pays for increases in services and wages for some who recently have seen cuts to programs and paychecks.

Rep. Thomas Huntley (DFL-Duluth) and Sen. Tony Lourey (DFL-Kerrick) sponsor the new legislation.

The spending cut is offset by an estimated \$150 million savings through implementation of the federal Patient Protection and Affordable Care Act and by reforming the payment method for health maintenance organization and hospital surcharges.

Other health care savings may be attributed to recovering the state costs of inmates who are admitted to the hospital. Currently paid by the Department of Corrections, the costs of those eligible for Medical Assistance can be decreased by a federal match.

HF1233*/SF1034/CH108

MinnesotaCare transition

The law begins aligning state laws to new federal health care regulations and changes the MinnesotaCare program, the state's version of basic health care insurance for low-income residents who don't qualify for Medicaid or Medicare. Most notably, the \$10,000 annual limit on hospitalization for MinnesotaCare enrollees is repealed.

Federal authority to operate MinnesotaCare is expiring and it will be at least another year before a basic health care benefit plan can take its place, so the law attempts to bridge that gap by directing health care access funds be used to provide benefits for those who earn up to 275 percent of the federal poverty level.

Medical Assistance reimbursement rates for basic services provided by other medical providers, such as doctors and dentists, will also increase 3 to 5 percent

Care provider pay increases

Under the new law, nursing homes will receive a 5 percent funding increase, with the majority earmarked for employee pay raises. Personal care attendants will receive a 1 percent increase, with more available based on the quality of service they provide. A pending 1.67 percent decrease for both types of providers is repealed by the new law. PCAs will now be referred to as Community First Services and Supports workers, or CFSS.

The rate increases are funded by redirecting funds that would otherwise be increases to the community service and development grant programs, which help provide capital improvements for long-term health care programs.

The new law will require employers with 50 or more employees who purchase insurance through the individual market to include autism spectrum disorder coverage in their policies, including the intensive Applied Behavior Analysis therapy. The benefit will also be available to a child who is enrolled in Medical Assistance and who has an autism spectrum disorder diagnosis, as well as a state employee insurance program benefit.

Fraud and abuse prevention

The Department of Health will hire a director of child sex trafficking prevention. Besides advocacy at the state and federal level to improve funding, the director's role will involve police officer training in new ways to work with these children, shifting from treating the children more as victims than offenders.

The new law grants the state's Office of Inspector General more authority to investigate suspected fraud within the child care assistance program and to create penalties for confirmed cases.

Agencies that provide personal care attendants to people on public assistance may have to pay more for a surety bond. The formula will change so that if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the performance bond cost will be \$50,000. If the Medicaid revenue in the previous year is above \$300,000, the provider agency must purchase a \$100,000 performance bond. The performance bond must be renewed annually.

Under the Home Health Care Bill of Rights, the client may now be entitled to a care attendant of the same gender, which is intended as a prevention tool for sexual abuse and maltreatment.

HIGHER EDUCATION

Two-year tuition freeze part of spending plan

The state will spend \$2.8 billion on higher education over the next two fiscal years, an increase of \$250 million. The capstone of the plan is a two-year tuition freeze for resident undergraduates at the University of Minnesota and for all undergraduates at the Minnesota State Colleges and Universities system.

The new law offers resident tuition rates at the state's public colleges and universities and access to state grants to some young immigrants who lack lawful status. To qualify, these students must have attended high school in Minnesota for at least three years and graduated. If a process exists for them to do so, they must document with their college that they've applied to gain legal immigration status. They must also show that they've complied with selective service registration requirements.

Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Terri Bonoff (DFL-Minnetonka) sponsor the legislation that allocates state money for higher education in fiscal years 2014 and 2015.

The University of Minnesota will see \$1.2 billion over the next two fiscal years. This includes \$42.6 million in new money for a two-year tuition freeze, and \$35.7 million for the university's MnDRIVE research initiative.

MnSCU will get \$1.2 billion in the next biennium, in part to fund \$78 million for a two-year tuition freeze. It also includes an additional \$17 million to retain faculty and staff, and \$7 million for new instructional equipment.

HF1692/SF1236*/CH99

LEGACY

Funding in place for dozens of arts and natural resource projects

The law appropriates \$496.1 million to fund dozens of arts, parks, trails and natural resources projects. That money will be divided among four funds endowed by the Clean Water, Land and Legacy Amendment passed by voters in 2008:

- Clean Water Fund - \$194.9 million;
- Arts and Cultural Heritage Fund - \$115.9 million;
- Outdoor Heritage Fund - \$100.05 million; and
- Parks and Trails Fund - \$85.1 million.

Additionally, the Minnesota State Arts Board will receive \$42.6 million to support artists and arts organizations in creating high-quality arts activities, overcome barriers to accessing them, and instill the arts into the community and public life.

The legislation also appropriates \$20.4 million to the Board of Soil and Water Resources for grants to protect and restore surface, ground and drinking water and restore water quality in lakes, rivers and streams. The law is sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Richard Cohen (DFL-St. Paul).

HF1183*/SF1051/CH137

Appropriations from the funds include:

- \$33.7 million each to the Department of Natural Resources and the Metropolitan Council for state parks, trails and recreation areas;
- \$18.8 million for the Pollution Control Agency to develop watershed restoration and protection strategies;
- \$11.2 million to the Minnesota Historical Society;
- \$6 million to the Department of Education for grants to 12 Minnesota regional library systems;
- \$3.5 million to the Minnesota Zoo;
- \$3 million to Minnesota Public Radio;
- \$2.2 million to the Science Museum of Minnesota;
- \$2 million to children's museums in the state;
- \$1 million to the Como Park Zoo;
- \$150,000 for grants to small movie theaters to transition from film to digital projection systems; and
- \$80,000 for at least four grants to local units of government for veterans memorials in municipal parks that preserve the culture and heritage of Minnesota.

PUBLIC SAFETY AND JUDICIARY

Public safety/judiciary law includes more than \$100 million in new funding

More than \$100 million in new funding will be directed to the state's judiciary and public safety areas.

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Ron Latz (DFL-St. Louis Park), the \$2.09 billion law — nearly \$1.94 billion from the General Fund — is nearly \$103 million over base. More than \$52 million in new money is for the judiciary and \$50.5 million is for public safety purposes.

Salary adjustments for Corrections Department personnel of 2 percent per year comprise approximately \$30 million of new funding.

Also in the law is an additional \$2.6 million for additional sex offender or chemical dependency treatment. The money is from a transfer from the department's MINNCOR program, where inmates produce goods and services used by the department or sold.

HF724/SF671*/CH86

Victim protection program expands to family members

The Safe at Home address confidentiality program is in place to help survivors of domestic violence, sexual assault, stalking or others who fear for their safety, to maintain a confidential address.

A new law, sponsored by Rep. Steve Simon (DFL-Hopkins) and Sen. Barb Goodwin (DFL-Columbia Heights), will expand protection to family members living in the same household of the participant, if they fear for the safety of themselves and children.

HF580*/SF509/CH76

STATE GOVERNMENT

High-ranking state officials get pay increases

The governor, other constitutional officers and agency heads will see a pay bump.

Sponsored by Rep. Mary Murphy (DFL-Hermantown) and Sen. Tom Saxhaug (DFL-Grand Rapids), the provision is contained in the omnibus state government finance law that appropriates about \$927 million to 28 agencies, an increase of more than \$30 million from the last biennium.

Under the law, the salary limit for about 20 agency heads will increase to 133 percent of the governor's salary and increase thereafter annually by the Consumer Price Index. Agency heads of smaller agencies, such as the Gambling Control Board and the Public Utilities Commission, can make as much as 120 percent of the governor's salary. Their salary limits will also increase every year by the Consumer Price Index. Actual salaries for agency heads within these limits will be set by the governor.

In the first pay increase in about 15 years, the governor's pay will bump up by 3 percent in 2015 and 2016. Constitutional officers' salaries also increase by 3 percent in 2015 and 2016.

HF1184/ SF1589*/CH142

Adapting to changing technology

Under the new law, MN.IT, the state's information technology office, is authorized to enter into contracts with private entities to expand online information services. These contracts may provide for the private entity to charge a fee not to exceed \$2 in order to use "e-government" services. There will be no fee charged for viewing or inspecting of data.

In the Revenue Department, savings are expected through the automation of several services and by requiring businesses to file wage levies and other tax documents electronically. Also, the department plans to save money by issuing debit cards to provide tax refunds to taxpayers who do not choose direct deposit. To ease concerns about security and misuse of data, a new provision requests the legislative auditor to conduct data security audits of the debit cards as resources allow.

Other appropriations

Among the appropriations, is \$920,000 to allow Minnesota Public Radio to purchase equipment and upgrades to the AMBER Alert system; and \$750,000 is appropriated each year for the Minnesota Assistance Council for Veterans, a nonprofit that helps homeless veterans and families. One-time appropriations include \$40,000 for a program that connects government employees with students through a reading program and \$30,000 in matching funds for a bust or statue of civil rights leader Nellie Stone Johnson.

TAXES

Tax law provides property tax relief; creates new fourth tier rate

The nearly \$2.1 billion raised through the new tax law is billed as an effort to bring structural stability to the state's budget and provide property tax relief, while moving closer to paying back the money the state has borrowed from the schools during previous budget cycles.

Revenue will come largely from a new fourth-tier income tax rate and beefed up cigarette taxes along with closing some corporate loopholes and increasing other taxes on businesses. In turn, the money will go toward erasing the state's projected \$627 million deficit; paying for a \$400 million property tax relief package and moving up the timeframe for paying back the \$850 million the state owes the K-12 schools.

The law is sponsored by Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Rod Skoe (DFL-Clearbrook).

HF677*/SF552/CH143

Raising revenue

A negotiated end-of-session settlement produced a new 9.85 percent rate on the state's high-income earners.

The new tax bracket will affect:

- married people who file jointly with a taxable income of more than \$250,000;
- married people who file separately with a taxable income of over \$125,000;
- heads of household with a taxable income of over \$200,000; and
- single filers making over \$150,000.

Sales taxes

Taxes on a pack of cigarettes will rise to \$2.83 from the current \$1.23. Other tobacco products will also be taxed at higher rates, including taxing "little cigars" as cigarettes and taxing each container of "moist snuff" at the same rate as a pack of cigarettes or 95 percent of the wholesale sales price, whichever is higher. Part of the revenue from the first year of the cigarette tax increase will be used to help fund the new stadium to house the Minnesota Vikings, if needed.

To prevent retailers and wholesalers from stockpiling product before that date, a one-time new cigarette tax equal to the tax increase will be imposed on current inventories. That is expected to raise \$32.4 million, of which \$26.5 million will go to the special fund used for the stadium.

Additionally, backup revenue for the stadium, if needed, will come from closing corporate tax loopholes regarding revenue from sales in the state. This is expected to raise approximately \$26 million in the first year and \$20 million per year thereafter.

There are few new consumer sales taxes in the law. People who download ringtones, music, videos and books will be paying a sales tax on these digital items as will those who play online computer games. The sales tax exemption for textbooks required in higher education courses will be extended to digital books.

Businesses will be asked to pay new sales taxes on warehousing and storage (not including mini-storage); electronic and commercial equipment repair and maintenance; and through repealing the current sales tax exemption on telecommunications equipment purchases. Because of administration issues, the imposition of the tax on warehousing and storage services will be delayed until after March 31, 2014. However, beginning in 2014, businesses will benefit on an upfront exemption from sales tax on capital equipment.

City and county governments will be exempt from paying sales tax. Supporters say the sales tax exemption should allow cities and counties enough revenue to freeze property tax levy limits for one year.

Property tax relief

The new tax revenue will help pay for a property tax relief package. Most significant is increased eligibility through changes to the property tax refund program. Effective for refunds based on taxes payable in 2014, the first \$5,500 in contributions to retirement accounts can be excluded from the

income calculation. The law also calls for a one-time effort in 2014 to notify homeowners who may be eligible for a refund of at least \$1,000, but who have not been claiming refunds.

The law also reduces the income threshold for program eligibility for renters and increases the maximum refund allowed.

Aid for local governments

In a further effort to lower property taxes, the new law revamps the current Local Government Aid formula making it more equitable, understandable and predictable, supporters say.

The LGA appropriation will increase from the current \$426 million to \$507.6 million for calendar year 2014. In 2015 and 2016, the amount is increased by \$2.5 million each year and then frozen at the 2016 amount.

The new formula bases a city's unmet need (the amount needed to bridge the gap between its service costs and its funding) where need is calculated differently based on city size. Characteristics taken into consideration include population measures, age of housing stock and jobs per capita.

Other aids and credits include:

- increases in the County Program Aid appropriation by \$40 million annually, from \$166 million to \$206 million;
- increases to the disparity reduction credit to help commercial-industrial properties in four cities along the North Dakota border compete with the neighboring state;
- cities in southwestern Minnesota affected by an April ice storm can receive their entire 2013 LGA payment on July 20, 2013;
- creating a new township aid program with an appropriation in 2014 and after of \$10 million;
- helping the City of Minneapolis through debt service payment aid, beginning Nov. 1, 2016, and annually thereafter, to pay off bonds for the new library.

Economic Development

Mayo Clinic and the City of Rochester plan a nearly \$6 billion project to further make the Mayo Clinic a worldwide medical destination and improve the city's infrastructure.

The Mayo Clinic is expected to invest \$3.5 billion of private capital into expanding buildings and facilities throughout Rochester, and \$2.1 billion in outside private investments is to be secured for the project.

The state will provide aid sufficient to fund \$327 million in public infrastructure projects during the 20-year life of the project but not beyond the year 2049. The city is expected to pay an additional \$128 million to qualify for the aid. The state and the county or city will also pay for up to \$116 million of transit-related projects; with state aid covering 60 percent of this cost.

The law offers a sales tax exemption for construction materials and supplies used for the public infrastructure, and provides for several county and city local tax mechanisms to help fund the local share of the infrastructure and allowance for bond funding.

Under the law, other cities would receive economic help as well through extension of sales taxes, sales tax exemptions for construction materials, imposition of lodging taxes or changes to tax-increment financing districts. These projects include the proposed expansion to the Mall of America; a new building for 3M in Maplewood; and a biopharmaceutical manufacturing facility in Brooklyn Park.

Taxes on the Iron Range

The law will increase the rate of the taconite production tax by 5 cents per ton and increase the match requirement for companies receiving distribution from the taconite economic development fund from 50 percent to an equal match.

Other provisions in the law include:

- creation of an upfront prepaid wireless fee for 911 services that replaces the fee imposed when service is used;
- establishing a lease purchase-agreement proposal and funding for design work on a new legislative office building;
- creating a four-month grace period to give active duty military homeowners more time to pay their property taxes; and
- establishment of a Greater Minnesota Internship program to help keep young, educated adults in rural Minnesota.

TRANSPORTATION

Wheelage tax, light rail funds highlight transportation finance law

Billions of dollars to fund statewide road maintenance projects, the option for every county in the state to levy a wheelage tax and one-time funds toward a new light-rail line are key provisions of an omnibus transportation funding law.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), the funding package appropriates more than \$5 billion to cover state's transportation needs over the next biennium.

HF1444*/SF1173/CH117

Among the provisions in the law for the state highway budget are:

- increasing state road construction funding by almost \$360 million over the biennium;
- increasing base appropriations by \$10 million annually from the trunk highway fund for use in a newly-established Transportation Economic Development program; and
- a \$5 million increase in the base appropriation for operations and maintenance of state roads.

Aimed at efforts to expand the Twin Cities metro region's transit system is a \$37 million, one-time appropriation in fiscal year 2014 toward the state's 10 percent share of the estimated \$1.25 billion cost of constructing the Southwest Corridor light rail line between downtown Minneapolis and Eden Prairie.

The law also includes an increased base appropriation of \$18 million to the Metropolitan Council for bus, light rail and commuter rail operations in the 2014-2015 biennium and \$11.7 million annually during the 2016-2017 biennium.

The legislation establishes a Corridors of Commerce program aimed at improving trunk highways of commercial importance to areas of the state by adding additional capacity or making freight improvements funded largely through \$300 million in trunk highway bonding.

Greater Minnesota counties will also have access to new transportation funding mechanisms thanks to other fiscal policy provisions included in the law.

Previously, state law limited the option of a \$5 wheelage tax to only the seven-county metro area; that has been expanded to include all 87 counties with the amount increased to \$10 in 2014 followed by up to \$20 beginning in 2018. The law also eliminates a required referendum for counties outside of a transportation improvement area in the Twin Cities region to impose a transportation sales tax for transportation projects including ongoing transit service.

Changes were made to some exemptions to the motor vehicle sales tax, which is imposed when a vehicle is sold. The law increases a flat amount charged for some older model collector vehicles (from \$90 to \$150) that is in place instead of the tax typically based on vehicle value. It also eliminates an exemption from the tax for some gifts between individuals, although most gifts between family members remain exempt.

Fees on motor vehicle titles and driver's licenses are also modified. Starting in 2017, fees for new vehicle titles will increase from \$6.25 to \$8.25, while a \$5.50 title transfer fee is eliminated. The filing fee for a new or renewed driver's license or state identification card is increased from \$5 to \$8.