

**DRIVING DIVERSION PROGRAM  
SERVICES AGREEMENT  
FOR THE  
CITY OF DULUTH**

1. **Contractual Agreement** - This Agreement is made and entered into this 1<sup>st</sup> day of July, 2017, by and between the City of Duluth, State of Minnesota (“City”) and Diversion Solutions, LLC, (“Diversion Solutions”) of 406 Main Street Suite 200, Red Wing, Minnesota 55066-2398.
2. **Purpose** – The purpose of this Agreement shall be to implement a Driving Diversion Pilot Program for the City as written in MN Section 1. Laws 2009, chapter 59, article 3, section 4, as amended by Laws 2010, chapter 197, section 1, is amended to read:  

|   |             |
|---|-------------|
| <u>Sec. 4. LICENSE REINSTATEMENT DIVERSION PILOT PROGRAM.</u> | “EXHIBIT A” |
| CHAPTER 87--H.F.No. 387 pilot extension                       | “EXHIBIT B” |
| CHAPTER 127--S.F.No. 1270 pilot extension                     | “EXHIBIT C” |
| NINETIETH SESSION H.F. No. 470 pilot Extension                | “EXHIBIT D” |
3. **Contract Terms** - This Agreement shall be in force until June 30, 2019. Termination provisions of this Agreement are provided in Section 10.
4. **Definitions**
  - A. ***Participant*** – the individual who has enrolled in the Driving Diversion Program voluntarily as part of City diversion program or has otherwise been ordered by the Court to complete the program.
  - B. ***Restitution Recovery*** – Fines, reinstatement fees, and diversion fees payable by a Participant.
  - C. ***Education Class Fees*** – The fee associated solely with the training classes the Participant attends as part of their diversion agreement.
5. **City Duties** – The following is needed for the implementation of the Program:
  - A. Designee will conduct, as needed, meetings with key Diversion Solutions staff to offer procedural guidance, evaluate program performance, and provide support and direction.
6. **Diversion Solutions Duties** - Diversion Solutions will provide the following services to the City in a timely and efficient manner:
  - A. Operation and management of a driver’s license diversion program for Participants who would otherwise be involved in the court legal system.
  - B. Perform daily operations and management of all clerical and accounting functions related to individual Participant files.

- C. Manage the collection and disbursement of Restitution Recovery Fees, Diversion Solutions Education Class Fees, and other fees as appropriate.
- D. Provide necessary responses, correspondence, and follow-up of telephone inquiries to address issues or questions of Participants.
- E. Properly maintain all physical files, financial records, documentation, reports, computer files, etc. as required by law or requested by the City.
- F. Conduct classes designed to teach and provide meaningful information and lessons to Participants on licensure, criminal consequences, and other appropriate topics.
- G. Schedule and conduct all classes necessary for the program, which shall include but not be limited to development of curriculum, provision of appropriate materials, and provision of appropriate space/locations for the classes.

7. **Reports -** Maintain and provide records to the City as defined in Exhibit D, including the Legislative Report.

8. **Program Operational Fees/Revenue**

**Participant Fees**

- |    |                         |   |
|----|-------------------------|---|
| A. | Program                 | \$350   |
| B. | Failure to attend class | \$20 reschedule fee   |
| C. | Reentry if FMR 90       | \$25 (accepted did not start program)                                 |
| D. | Reentry if FMR 2        | \$150   |
|    |                         | (post class citation, failure to make payment attorney/judge reentry) |
| E. | CC processing fee       | \$5 per transaction   |

Fee Division: For each full program fee paid in full, \$125.00 of the fee will be paid to City and \$225.00 will be retained by Diversion Solutions.

9. **City has no Financial Liability** - It is understood and agreed by and between the parties that Diversion Solutions will bear all financial liability for all aspects of its operations under this Agreement.

10. **Termination of this Agreement**

- A. This Agreement may be terminated at any time, without cause, by either party upon 30 days written notice to the authorized agent of the City or Diversion Solutions.
- B. This Agreement may be immediately terminated by the City at any time if the City determines that Diversion Solutions is acting, or has acted at any time during the term of this Agreement, in violation of state or federal law.

11. **Amendments or Material Modifications** - All amendments or modifications to this Agreement must be in writing and approved by both parties.

12. **No City Obligation** - Diversion Solutions and Participants who participate in this program fully understand that the Program is a public service, and the City is held harmless and has no liability to make recovery or obligation to take criminal action against Participant(s).

13. **Criminal Action** – Full cancellation of the citation which supported participation in the diversion program is not guaranteed until successful completion of the entire program. Diversion Solutions acknowledges, and will advise all Participants that, the City Attorney's Office may reinstate the citation which brought the Participant(s) to the program if the Participant fails to participate or complete the program.

14. **Hold Harmless and Indemnification.** - Diversion Solutions shall save and protect, hold harmless, indemnify and defend the City, its officers and employees against any and all claims, causes of action, suits, liabilities, losses, charges, damages or costs and expenses arising from, or allegedly arising from, or resulting directly or indirectly from any professional errors and omissions and/or negligent or willful acts or omissions of Diversion Solutions and its employees and agents, in the performance of this Agreement.
15. **Independent Contractor**
  - A. Nothing contained in this Agreement is intended to or shall be construed in any manner as creating or establishing the relationship of employer/employee between the parties. Diversion Solutions shall at all times remain an independent contractor with respect to the services to be provided under this agreement.
  - B. The City shall be exempt from payment of all unemployment insurance, FICA, retirement, life and medical insurance, and workers' compensation insurance for any and all of Diversion Solutions employees and agents. Payment of insurance premiums, tax withholding, and all other benefits are strictly Diversion Solutions' responsibility.
16. **Subcontractor** - Diversion Solutions shall not subcontract any portion of the work to be performed under this Agreement without prior written approval of City. Diversion Solutions reserves the right to assign this agreement with written City approval.
17. **Data Practice** - Diversion Solutions agrees to comply with the Minnesota Government Data Practices Act and all other applicable state and federal laws relating to data privacy or confidentially. Diversion Solutions will immediately report to the department head signing this agreement any request from a third party for information relating to this agreement. The City agrees to promptly respond to inquiries from Diversion Solutions concerning data request. Diversion Solutions agrees to hold the City, its officers and employees harmless from any claims resulting from the Contractor's unlawful disclosure or use of data protected under state and federal laws.
18. **Compliance with the Law** - Diversion Solutions agrees to abide by the requirements and regulations of The Americans with Disabilities Act of 1990 (ADA), the Minnesota Human Rights Act (Minn. Stat. C.363), the City Civil Rights Ordinance (Ch. 139), and Title VII of the Civil Rights Act of 1964. These laws deal with discrimination based on race, gender, disabilities, religion, and with sexual harassment. The City agrees to promptly supply all necessary clarifications. Violation of any of the above can lead to the termination of this Agreement.
19. **Entire Agreement** - This entire Agreement supersedes any and all other Agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, and contains all of the Agreements between the parties with respect to said matter. Each party to this Agreement acknowledges that no representations, inducements, promises, or Agreements, oral or otherwise, have been made by either party which are not embodied herein, and that no other Agreements, statements, or promises not contained within this Agreement shall be valid or binding. All provisions contained within this Agreement shall be valid or binding. The laws of Minnesota and the United States of America shall govern all provisions within this Agreement.
20. **Audits and Inspections** - The City Attorney's office or designated representative or other governmental agency exercising regulatory function over the City's business activities, while exercising reasonable, non-disruptive procedures, may inspect Diversion Solutions records at any time.
21. **Notice** - Any notice to be given hereafter by either party to the other, shall be in writing and may be affected by personal delivery, or by registered mail, return receipt requested, addressed to the proper party, at the following addresses:

Duluth City Attorney's Office  
411 W. 1st. Street  
Duluth, MN 55802  
Attn: City Attorney

Diversion Solutions, LLC  
415 Main Street  
Red Wing, MN 55066  
Attn: Scott Adkisson

22. **Insurance** - Diversion Solutions and or its subcontractors agree to provide and maintain, at its own cost and at all times during its performance under this contract until completion of the work, such liability insurance coverage as is set forth below, and to otherwise comply with the provisions that follow:

- A. **Workers' Compensation:** Workers' Compensation insurance in compliance with all applicable statutes.
- B. **Auto Insurance** – Owned and unowned
- C. **General Liability:** "Commercial General Liability Insurance" (Insurance Service Office policy form title), or equivalent policy form, providing coverage on an "occurrence," rather than on a claims made basis, the policy for which shall include, but not limited to, coverage for bodily injury, property damage, personal injury, contractual liability (applying to this contract), Independent Contractors, and Products-Completed Operations Liability.

Such a policy shall name the City as an additional insured thereunder, and shall apply on a primary basis with respect to any similar insurance maintained by the City, which other insurance of the City, if any, shall apply in excess of Diversion Solutions insurance and not contributed therewith. Diversion Solutions agrees to maintain Products-Complete Operations coverage on a continuing basis for a period of at least two years after date of completion

Such Commercial General Liability insurance policy shall provide a combined single limit in the amount of at least \$2,000,000 (two million) Each Occurrence, applying to liability for bodily injury and property damage, and a combined single limit of at least the same amount applying to liability for Personal Injury and Advertising Injury. Such minimum limits may be satisfied by the limit afforded under Firm's Commercial General Liability Insurance Policy, or by such Policy in combination with limits afforded by an Umbrella or Excess Liability Policy (or policies), provided that the coverage afforded under any such Umbrella or Excess Policy is at least in all material respects as broad as that afforded by the underlying Commercial Liability Policy, and further that the City is included as an additional insured thereunder.

Such Commercial General Liability Policy and Umbrella or Excess Liability Policy (or policies) may provide aggregate limits for some or all of the coverage afforded thereunder, so long as such aggregated limits are not at any time during which such coverage is required to be maintained hereunder reduced to less than the required Each Occurrence limit stated above, and further, that the Umbrella or Excess Liability provides from the point that such aggregate limits in the underlying Commercial General Liability Policy become reduced or exhausted. An Umbrella or Excess Liability Policy which "drops down" to respond immediately over reduced underlying limits, or in place of exhausted underlying limits, but subject to a deductible or "retention" amount, shall be acceptable in this regard so long as such deductible or retention amount does not cause the firm total deductibles or retention for Each Occurrence to exceed \$10,000.

- D. **Professional Liability:** Professional or "Error & Omissions" Liability Insurance in the amount of at least \$1,000,000 Each Occurrence (or "Wrongful Act" or equivalent) and if applicable, Aggregate, covering Diversion Solutions Liability

for negligent acts, errors, or omissions in the performance of professional services in connection with this Agreement. Diversion Solutions Professional Liability Insurance may afford coverage on an occurrence basis or on a claims basis. It is, however, acknowledged and agreed by Diversion Solutions, that under claims-made coverage, changes in insurers or in insurance policy forms could result in the impairment of the liability insurance protection intended for the City hereunder. Diversion Solutions therefore agrees that it will not seek or voluntarily accept any such change in its Professional Liability Insurance coverage if such impairment of the protection for the City could result; and further, that it will exercise its right under any Extended Reporting Period (“tail coverage”) or similar claims-made policy option if necessary or appropriate to avoiding impairment of such protection.

Diversion Solutions further agrees that it will, throughout the entire period of 2 years, keep required coverage and for an additional period of two (2) years following completion of this agreement, immediately: (a) advise the City of any intended or pending change in Professional Liability insurance or in policy forms, and provide the City with all pertinent information that the City may reasonably request to determine compliance with this paragraph; and (b) advise the City of any claims or threat of claims that might reasonably be expected to reduce the amount of such insurance remaining available for the protection of the City.

IN WITNESS WHEREOF, the parties have executed the Agreement as of the date first written above

**Diversion Solutions, LLC**

**City of Duluth**

By \_\_\_\_\_  
**Scott Adkisson – President**

By \_\_\_\_\_  
**Mayor**

Attest:

By: \_\_\_\_\_  
City Clerk  
Date: \_\_\_\_\_

Countersigned:

By: \_\_\_\_\_  
City Auditor  
Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
City Attorney  
Date: \_\_\_\_\_

# Exhibit A

## 2009

### Sec. 4. **LICENSE REINSTATEMENT DIVERSION PILOT PROGRAM.**

11.11 Subdivision 1. Establishment. An eligible city may establish a license reinstatement  
11.12 diversion pilot program for holders of class D drivers' licenses who have been charged  
11.13 with violating Minnesota Statutes, section 171.24, subdivision 1 or 2, but have not yet  
11.14 entered a plea in the proceedings. An individual charged with driving after revocation  
11.15 under Minnesota Statutes, section 171.24, subdivision 2, is eligible for diversion only if  
11.16 the revocation was due to a violation of Minnesota Statutes, section 169.791; 169.797;  
11.17 169A.52; 169A.54; or 171.17, subdivision 1, paragraph (a), clause (6). An individual  
11.18 who is a holder of a commercial driver's license or who has committed an offense in a  
11.19 commercial motor vehicle is ineligible for participation in the diversion pilot program.  
11.20 Subd. 2. Eligible cities. Each of the cities of Duluth, St. Paul, South St. Paul,  
11.21 West St. Paul, and Inver Grove Heights is eligible to establish the license reinstatement  
11.22 diversion pilot program within its city. The commissioner of public safety may permit  
11.23 other cities to establish license reinstatement diversion pilot programs within their cities.  
11.24 Subd. 3. Contract. Notwithstanding any law or ordinance to the contrary, an  
11.25 eligible city may contract with a third party to create and administer the diversion program.  
11.26 Subd. 4. Diversion of individual. A prosecutor for a participating city may  
11.27 determine whether to accept an individual for diversion, and in doing so shall consider:  
11.28 (1) whether the individual has a record of driving without a valid license or other  
11.29 criminal record, or has previously participated in a diversion program;  
11.30 (2) the strength of the evidence against the individual, along with any mitigating  
11.31 factors; and  
11.32 (3) the apparent ability and willingness of the individual to participate in the  
11.33 diversion program and comply with its requirements.  
11.34 Subd. 5. Diversion driver's license. (a) Notwithstanding any law to the contrary,  
11.35 the commissioner of public safety may issue a diversion driver's license to a person who  
12.1 is a participant in a pilot program for diversion, following receipt of an application and  
12.2 payment of:  
12.3 (1) the reinstatement fee under Minnesota Statutes, section 171.20, subdivision 4, by  
12.4 a participant whose driver's license has been suspended;  
12.5 (2) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2,  
12.6 paragraph (a), by a participant whose driver's license has been revoked under Minnesota  
12.7 Statutes, section 169.791; 169.797; or 171.17, subdivision 1, paragraph (a), clause (6); or  
12.8 (3) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2,  
12.9 paragraph (a), by a participant whose driver's license has been revoked under Minnesota  
12.10 Statutes, section 169A.52 or 169A.54. The reinstatement fee and surcharge, both of which  
12.11 are provided under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), also  
12.12 must be paid during the course of, and as a condition of, the diversion program.  
12.13 The diversion driver's license may bear restrictions imposed by the commissioner suitable  
12.14 to the licensee's driving ability or other restrictions applicable to the licensee as the  
12.15 commissioner may determine to be appropriate to assure the safe operation of a motor  
12.16 vehicle by the licensee.  
12.17 (b) Payments by participants in the diversion program of the reinstatement fee and  
12.18 surcharge under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), must be  
12.19 applied first toward payment of the reinstatement fee, and after the reinstatement fee has  
12.20 been fully paid, toward payment of the surcharge. Each payment that is applied toward

12.21 the reinstatement fee must be credited as provided in Minnesota Statutes, section 171.29,  
12.22 subdivision 2, paragraph (b), and each payment that is applied toward the surcharge must  
12.23 be credited as provided in Minnesota Statutes, section 171.29, subdivision 2, paragraphs  
12.24 (c) and (d).

12.25 **Subd. 6. Components of program.** (a) At a minimum, the diversion program  
12.26 must require individuals to:

12.27 (1) successfully attend and complete, at the individual's expense, educational classes  
12.28 that provide, among other things, information on drivers' licensure;

12.29 (2) pay, according to a schedule approved by the prosecutor, all required fees,  
12.30 fines, and charges, including applicable statutory license reinstatement fees and costs  
12.31 of participation in the program;

12.32 (3) comply with all traffic laws; and

12.33 (4) demonstrate compliance with vehicle insurance requirements.

12.34 (b) An individual who is accepted into the pilot program is eligible to apply for a  
12.35 diversion driver's license.

13.1 **Subd. 7. Termination of participation in diversion program.** (a) An individual's  
13.2 participation in the diversion program may terminate when:

13.3 (1) during participation in the program, the individual is guilty of a moving traffic  
13.4 violation or failure to provide vehicle insurance;

13.5 (2) the third-party administrator of the diversion program informs the court and the  
13.6 commissioner of public safety that the individual is no longer satisfying the conditions  
13.7 of the diversion; or

13.8 (3) the third-party administrator informs the court, the prosecutor, and the  
13.9 commissioner of public safety that the individual has met all conditions of the diversion  
13.10 program, including, at a minimum, satisfactory fulfillment of the components in  
13.11 subdivision 6, whereupon the court shall dismiss the charge or the prosecutor shall decline  
13.12 to prosecute.

13.13 (b) Upon termination of an individual's participation in the diversion program, the  
13.14 commissioner shall cancel the individual's diversion driver's license.

13.15 (c) The original charge against the individual of violation of Minnesota Statutes,  
13.16 section 171.24, may be reinstated against an individual whose participation in the  
13.17 diversion program terminates under paragraph (a), clause (1) or (2).

13.18 (d) The commissioner shall reinstate the driver's license of an individual whose  
13.19 participation in the diversion program terminates under paragraph (a), clause (3).

13.20 **Subd. 8. Report.** (a) By February 1, 2011, the commissioner of public safety and  
13.21 each eligible city that participates in the diversion program shall report to the legislative  
13.22 committees with jurisdiction over transportation and the judiciary concerning the results  
13.23 of the program. The report must be made electronically and available in print only upon  
13.24 request. The report must include, without limitation, the effect of the program on:

13.25 (1) recidivism rates for participants in the diversion pilot program;

13.26 (2) the number of unlicensed drivers who continue to drive in violation of Minnesota  
13.27 Statutes, section 171.24;

13.28 (3) payment of the fees and fines collected in the diversion pilot program to cities,  
13.29 counties, and the state;

13.30 (4) educational support provided to participants in the diversion pilot program; and

13.31 (5) the total number of participants in the diversion pilot program and the number of  
13.32 participants who have terminated from the pilot program under subdivision 7, paragraph  
13.33 (a), clauses (1) to (3).

13.34 (b) The report must include recommendations regarding the future of the program  
13.35 and any necessary legislative changes.

13.36 **Subd. 9. Sunset.** The pilot project under this section expires June 30, 2011.

14.1 **EFFECTIVE DATE.** This section is effective July 1, 2009.

### CHAPTER 87--H.F.No. 387

#### An act

relating to drivers' licenses; allowing counties to participate in driver's license reinstatement diversion pilot program; extending diversion pilot program; amending Laws 2009, chapter 59, article 3, section 4, as amended.

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

Section 1. Laws 2009, chapter 59, article 3, section 4, as amended by Laws 2010, chapter 197, section 1, is amended to read:

#### Sec. 4. **LICENSE REINSTATEMENT DIVERSION PILOT PROGRAM.**

Subdivision 1. **Establishment.** An eligible city or county may establish a license reinstatement diversion pilot program for holders of class D drivers' licenses who have been charged with violating Minnesota Statutes, section 171.24, subdivision 1 or 2, but have not yet entered a plea in the proceedings. An individual charged with driving after revocation under Minnesota Statutes, section 171.24, subdivision 2, is eligible for diversion only if the revocation was due to a violation of Minnesota Statutes, section 169.791; 169.797; 169A.52; 169A.54; or 171.17, subdivision 1, paragraph (a), clause (6). An individual who is a holder of a commercial driver's license or who has committed an offense in a commercial motor vehicle is ineligible for participation in the diversion pilot program.

Subd. 2. **Eligible cities and counties.** Each of the cities of Duluth, St. Paul, South St. Paul, West St. Paul, and Inver Grove Heights is eligible to establish the license reinstatement diversion pilot program within its city. The commissioner of public safety may permit other cities and counties to establish license reinstatement diversion pilot programs within their eities respective jurisdictions.

Subd. 3. **Contract.** Notwithstanding any law or ordinance to the contrary, an eligible city or county may contract with a third party to create and administer the diversion program.

Subd. 4. **Diversion of individual.** A prosecutor for a participating city or county may determine whether to accept an individual for diversion, and in doing so shall consider:

- (1) whether the individual has a record of driving without a valid license or other criminal record, or has previously participated in a diversion program;
- (2) the strength of the evidence against the individual, along with any mitigating factors; and
- (3) the apparent ability and willingness of the individual to participate in the diversion program and comply with its requirements.

Subd. 5. **Diversion driver's license.** (a) Notwithstanding any law to the contrary, the commissioner of public safety may issue a diversion driver's license to a person who is a participant in a pilot program for diversion, following receipt of an application and payment of:

- (1) the reinstatement fee under Minnesota Statutes, section 171.20, subdivision 4, by a participant whose driver's license has been suspended;
- (2) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2, paragraph (a), by a participant whose driver's license has been revoked under Minnesota



Statutes, section 169.791; 169.797; or 171.17, subdivision 1, paragraph (a), clause (6); or (3) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2, paragraph (a), by a participant whose driver's license has been revoked under Minnesota Statutes, section 169A.52 or 169A.54. The reinstatement fee and surcharge, both of which are provided under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), also must be paid during the course of, and as a condition of, the diversion program. The diversion driver's license may bear restrictions imposed by the commissioner suitable to the licensee's driving ability or other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) Payments by participants in the diversion program of the reinstatement fee and surcharge under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), must be applied first toward payment of the reinstatement fee, and after the reinstatement fee has been fully paid, toward payment of the surcharge. Each payment that is applied toward the reinstatement fee must be credited as provided in Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), and each payment that is applied toward the surcharge must be credited as provided in Minnesota Statutes, section 171.29, subdivision 2, paragraphs (c) and (d). After the reinstatement fee and surcharge are satisfied, the participant must pay the program participation fee.

Subd. 6. **Components of program.** (a) At a minimum, the diversion program must require individuals to:

- (1) successfully attend and complete, at the individual's expense, educational classes that provide, among other things, information on drivers' licensure;
  - (2) pay, according to a schedule approved by the prosecutor, all those required fees, fines, and charges that affect the individual's driver's license status, including applicable statutory license reinstatement fees and costs of participation in the program;
  - (3) comply with all traffic laws; and
  - (4) demonstrate compliance with vehicle insurance requirements.
- (b) An individual who is accepted into the pilot program is eligible to apply for a diversion driver's license.

Subd. 7. **Termination of participation in diversion program.** (a) An individual's participation in the diversion program may terminate when:

- (1) during participation in the program, the individual is guilty of a moving traffic violation or failure to provide vehicle insurance;
  - (2) the third-party administrator of the diversion program informs the court and the commissioner of public safety that the individual is no longer satisfying the conditions of the diversion; or
  - (3) the third-party administrator informs the court, the prosecutor, and the commissioner of public safety that the individual has met all conditions of the diversion program, including, at a minimum, satisfactory fulfillment of the components in subdivision 6, whereupon the court shall dismiss the charge or the prosecutor shall decline to prosecute.
- (b) Upon termination of an individual's participation in the diversion program, the commissioner shall cancel the individual's diversion driver's license.
- (c) The original charge against the individual of violation of Minnesota Statutes,

section 171.24, may be reinstated against an individual whose participation in the diversion program terminates under paragraph (a), clause (1) or (2).

(d) The commissioner shall reinstate the driver's license of an individual whose participation in the diversion program terminates under paragraph (a), clause (3).

Subd. 8. **Report.** (a) By February 1, 2013, the commissioner of public safety and each eligible city and county that participates in the diversion program shall report to the legislative committees with jurisdiction over transportation and the judiciary concerning the results of the program. The report must be made electronically and available in print only upon request. The report must include, without limitation, the effect of the program on:

- (1) recidivism rates for participants in the diversion pilot program;
- (2) the number of unlicensed drivers who continue to drive in violation of Minnesota Statutes, section 171.24;

**fi** payment of the fees and fines collected in the diversion pilot program to cities, counties, and the state;

**f4i** educational support provided to participants in the diversion pilot program; and

**ffi** the total number of participants in the diversion pilot program and the number of participants who have terminated from the pilot program under subdivision 7, paragraph (a), clauses (1) to (3).

(b) The report must include recommendations regarding the future of the program and any necessary legislative changes.

Subd. 9. **Sunset.** A city or county participating in this pilot program may accept an individual for diversion into the pilot program until June 30,

2013. The third party administering the diversion program may collect and disburse fees collected pursuant to subdivision 6, paragraph (a), clause (2), through December 31, 2-0-1-2-2014, at which time the pilot program under this section expires.

**EFFECTIVE DATE.** **This section is effective the day following final enactment.** Presented to the governor May 24, 2011

Signed by the governor May 27, 2011, 10:28 a.m.

# Exhibit C

## 2013

### CHAPTER 127– S.F.No. 1270

*An act relating to transportation; amending various provisions related to transportation and public safety policies, including highway signs, trunk highway routes, state-aid systems, motor vehicle registration and license plates, record retention, motor vehicle dealers, pupil transportation, bicycles, motor vehicle weight and equipment, disability parking, drivers' licenses and senior identification cards, federal law conformity, agency organization, commercial vehicle regulations, railroads, land conveyance, transit and transit planning, operations, and accessibility; amending Minnesota Statutes 2012, sections 160.21, subdivision 6; 160.80, subdivisions 1, 1a, 2; 161.04, subdivision 5; 161.115, subdivision 229, by adding a subdivision; 161.1231, subdivision 8; 161.44, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 162.13, subdivision 2; 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 168A.153, subdivisions 1, 2, 3, by adding a subdivision; 168B.15; 169.011, subdivision 71; 169.18, subdivisions 4, 7; 169.19, subdivision 1; 169.222, subdivisions 2, 4, 6, 7; 169.34, subdivision 1; 169.346, subdivision 2, by adding a subdivision; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12; 169.68; 169.824, subdivision 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; 174.02, by adding a subdivision; 174.03, subdivision 1d; 174.24, subdivision 5a; 174.632; 174.636; 219.17; 219.18; 219.20; 221.0314, subdivisions 2, 3a, 9a; 398A.04, by adding a subdivision; Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended; proposing coding for new law in Minnesota Statutes, chapters 171; 174; repealing Minnesota Statutes 2012, sections 168.094, subdivision 5; Minnesota Rules, parts 8820.3300, subpart 2; 8835.0330, subpart 2.*

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

Sec. 60. Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended by Laws 2010, chapter 197, section 1, and Laws 2011, chapter 87, section 1, subdivision 9, is amended to read:

Subd. 9. **Sunset.** A city or county participating in this pilot program may accept an individual for diversion into the pilot program until June 30, ~~2013~~ 2017. The third party administering the diversion program may collect and disburse fees collected pursuant to subdivision 6, paragraph (a), clause (2), through December 31, ~~2014~~ 2018, at which time the pilot program under this section expires.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

# Exhibit D

## 2017

HF470 THIRD ENGROSSMENT

REVISOR

KLL

H0470-3

This Document can be made available  
in alternative formats upon request

### State of Minnesota

## HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **470**

01/23/2017 Authored by Cornish and Johnson, B.,  
The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance  
03/01/2017 Adoption of Report: Re-referred to the Committee on Ways and Means  
03/14/2017 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time  
05/12/2017 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments  
05/18/2017 Returned to the House as Amended by the Senate  
Refused to concur and a Conference Committee was appointed  
05/22/2017 Read Third Time as Amended by Conference and repassed by the House  
Read Third Time as Amended by Conference and repassed by the Senate  
05/26/2017 Presented to Governor  
05/30/2017 Governor Approval

Sec. 27. Laws 2009, chapter 59, article 3, section 4, subdivision 3, as amended by Laws 2011, chapter 87, section 1, subdivision 3, is amended to read:

Subd. 3. **Contract.** Notwithstanding any law or ordinance to the contrary, an eligible city or county may contract with a third party to create and administer the diversion program. A third party administering the program under this section must annually provide to the city or county a copy of an annual independent audit. At a minimum, the audit shall include the following:

- (1) the amount charged for program fees;
  - (2) the total number of participants in the pilot program;
  - (3) the total amount of money collected from participants in the pilot program;
  - (4) the total amount of money, detailed by category, paid or applied to reinstatement fees, surcharges, criminal and traffic fines, and program fees;
  - (5) the number of participants who successfully completed the pilot program in the previous year;
  - (6) the number of participants terminated from the pilot program under subdivision 7, paragraph (a), clauses (1) to (3);
  - (7) the reimbursement policy for all payments listed under clause (4); and
  - (8) the amount of all payments listed under clause (4) retained from participants who were terminated from the program.
- The third party administering the program must pay the cost of the audit.

Sec. 28. Laws 2009, chapter 59, article 3, section 4, subdivision 8, as amended by Laws 2011, chapter 87, section 1, subdivision 8, is amended to read:

Subd. 8. **Report.** (a) By February 1, ~~2013~~ 2019, the commissioner of public safety and each eligible city and county that participates in the diversion program shall report to the legislative committees with jurisdiction over transportation and the judiciary concerning the results of the program. ~~The report must be made electronically and available in print only upon request. At a minimum, the report must include, without limitation, the effect of the program on:~~

- (1) recidivism rates for participants in the diversion pilot program;
  - (2) payment ~~of the~~ information for reinstatement fees, surcharges, and criminal fines collected in the diversion pilot program to cities, counties, and the state;
  - (3) educational support provided to participants in the diversion pilot program; ~~and~~
  - (4) the total number of participants in the diversion pilot program ~~and~~;
  - (5) the number of participants who have terminated from the pilot program under subdivision 7, paragraph (a), clauses (1) to (3); ~~and~~
  - (6) the names of all third-party program administrators and their program fee refund policy, and, for each administrator the amount charged for program fees, and the amount of program fees retained from participants who have terminated from the program.
- (b) The report must include recommendations regarding the future of the program and any necessary legislative changes.

Sec. 29. Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended by Laws 2010, chapter 197, section 1, Laws 2011, chapter 87, section 1, subdivision 9, and Laws 2013, chapter 127, section 60, is amended to read:

Subd. 9. **Sunset.** A city or county participating in this pilot program may accept an individual for diversion into the pilot program until June 30, ~~2017~~ 2019. The third party administering the diversion program may collect and disburse fees collected pursuant to subdivision 6, paragraph (a), clause (2), through December 31, ~~2018~~ 2020, at which time the pilot program under this section expires.