

HOUSE RESEARCH

Bill Summary

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Subject: Motor vehicle and driver's license filing fees

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Overview

This bill (1) raises filing fees by \$1.50 for motor vehicle transactions (such as vehicle registration renewals), and (2) divides fees for driver licenses and Minnesota identification cards to reflect the distinction between a core fee and a filing fee for such transactions.

- 1 Filing fees; allocations.** Raising filing fees by \$1.50 for motor vehicle transactions. The filing fee increases are:

- \$4.50 to \$6 for registration renewals; and
- \$8.50 to \$10 for most other vehicle transactions (such as title transfers).

Allocation of revenue from the filing fee is unchanged and depends on whether the vehicle transaction is handled by Driver and Vehicle Services at the Department of Public Safety or by an authorized deputy registrar. Deputy registrars receive the entire filing fee collected. Filing fees collected by the department are allocated to the general fund and the vehicle services operating account.

- 2 Fees.** Reduces fees for driver's licenses and Minnesota identification cards by \$5 to reflect the distinction between (1) the core fees (which vary with type of license or card) listed in this section, and (2) a \$5 filing fee authorized to be imposed by driver's license agents.

The core fees are deposited into an account that funds Driver and Vehicle Services agency costs for driver licensing. The filing fee, which is set at \$5 per transaction, is the amount retained by driver's license agents and is designed to cover an agent's operating expenses. Minn. Stat. § 171.061, subd. 4. Driver's license agents operate offices throughout the state to provide driver licensing services on behalf of Driver and Vehicle Services.

While current law authorizes driver's license agents to charge the \$5 filing fee, in practice that filing fee is included within the fee identified in this section and it is apparently not added on. The effect of the changes, then, would be to amend the statutes to reflect actual practice by driver's license agents and Driver and Vehicle Services.

The total amount charged for driver's licenses and identification cards is unchanged.

3 **Effective date.** Makes the provisions in the bill effective July 1, 2011.