

File Number: H.F. 3593
Version: As introduced

Date: March 10, 2018

Authors: Nash

Subject: Deputy registrars and driver's license agents; aid and funding

Analyst: Matt Burress (matt.burress@house.mn)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

This bill relates to aid and finance structure changes that impact funding for deputy registrars as well as driver's license agents. Among its provisions, the bill (1) creates a reimbursement program to distribute aid by formula to both deputy registrars and driver's license agents; (2) reallocates fee revenue from motor vehicle transactions that currently go to the general fund; and (3) sets a portion of license plate and validation sticker fee revenue to be retained by deputy registrars.

Article 1: Reimbursement Aid

Overview

This article creates a reimbursement aid program for financial assistance to deputy registrars and driver's license agents.

- [168.335] Deputy registrar and driver's license agent reimbursements.** Establishes an aid program for deputy registrars and driver's license agents, administered by the Department of Public Safety.

Subd. 1. Definition. Defines the term "account balance."

Subd. 2. Program established. Directs the Department of Public Safety to create the aid program. Excludes offices operated by the department from being included in the aid calculations and distribution.

Section

Subd. 3. Aid funds; transfers; appropriation. Directs the department to identify available funds in the two Driver and Vehicle Services (DVS) operating accounts and transfer the money quarterly to a new reimbursement account. The amount for transfer is calculated based on account balance, backing out reserve funds and a 15 percent set-aside. It also creates a statutory appropriation of reimbursement account funds for distribution of aid.

Subd. 4. Aid distribution. Sets a formula for distributing available aid. Under the formula:

- ▶ 10 percent of the funds is distributed evenly across all deputy registrars;
- ▶ 60 percent is distributed proportionally to deputy registrars based on shares of vehicle transactions handled by each deputy registrar in the previous calendar quarter (using filing fees as the measure for what constitutes a transaction); and
- ▶ 30 percent is distributed proportionally to driver's license agents based on shares of licensing transactions handled by each driver's license agent in the previous calendar quarter.

2 Appointed officials reimbursement account. Creates a reimbursement account in the special revenue fund. The account holds funds used for the reimbursement program and cannot be expended on administrative costs.

3 Prohibited expenditures. Broadens a provision that restricts expenditures from Driver and Vehicle Services accounts to the purposes of the vehicle registration and driver licensing chapters of Minnesota Statutes, so that the provision includes the new reimbursement account.

4 Reserves. Explicitly authorizes the Department of Public Safety to create policies on operating account reserves and requires distribution to the legislature. (The reserves policies are used in the calculation of transfers into the reimbursement account in the aid program.)

Article 2: Motor Vehicle Fees

Overview

This article changes the allocation of various fees for motor vehicle and driver's license transactions (such as in obtaining license plates and for expedited service).

1 Plate or sticker fee. Authorizes deputy registrars to retain 40 percent of the revenue from various plate and validation sticker fees (which are imposed as part of vehicle registration and annual renewals). The amount retained is rounded down to the nearest increment of \$0.25.

Makes technical and clarifying changes, including to centralize the plate fee schedule into this section of statutes. (In conjunction with other changes in the bill, the fees amounts are

Section

unchanged from current law.) Eliminates language on graphic design plates that is reproduced in another section (see article 3, section 1, of the bill).

- 2 **Dealer's licenses; location change notice; fee.** Amends distribution of application and annual fees for motor vehicle dealer licenses, to direct the revenue to the new reimbursement account instead of the general fund.
- 3 **Expedited driver and vehicle services; fee.** Permits deputy registrars and driver's license agents to retain the entirety of a \$20 fee charged for expedited service handled by the deputy or agent, which is increased from the current \$10 retained. (There is a corresponding reduction in fee revenue to the DVS operating accounts.)
- 4 **Filing fees; allocations.** Reallocates \$3.50 from filing fees on non-renewal transactions collected by Driver and Vehicle Services to go the new reimbursement account instead of the general fund.
- 5 **Allocation of proceeds.** Reallocates a \$3 transfer fee to go the new reimbursement account instead of the general fund
- 6 **Fund distribution.** Reallocate fees from vehicle titling and title transfers to go the reimbursement account instead of the general fund.
- 7 **Repealer.** Eliminates a statutory appropriation to the Department of Public Safety for the costs of administering vehicle titles.

Article 3: Conforming Changes

Overview

This article makes various conforming and technical changes, which primarily consist of clarifying and centralizing the fee setting provisions for various special plates (in conjunction with the changes in article 2, section 1, of the bill).