



MICA MINNESOTA
INTER-COUNTY ASSOCIATION



May 3, 2023

Sen. Scott Dibble, Chair
Sen. Connie Morrison
Sen. Jim Carlson
Sen. Jennifer McEwen
Sen. John Jasinski

Rep. Frank Hornstein, Chair
Rep. Erin Koegel
Rep. Brad Tabke
Rep. Jeff Brand
Rep. John Petersburg

RE: Omnibus Transportation Finance and Policy Bill – HF2887
Support for Deputy Registrar Funding

Dear Chair Dibble, Chair Hornstein, and Conference Committee,

On behalf of the Minnesota Association of County Officers (MACO), Association of Minnesota Counties (AMC), Minnesota Inter-County Association (MICA), and League of Minnesota Cities (LMC), we write to express our support for increased Deputy Registrar fees for transactions to cover all costs for the services now being performed at deputy registrar and license bureau offices and support for a method of revenue sharing for online transactions.

As you are aware, license bureaus operated by counties and cities make up nearly half of the deputy registrars providing licensing services to Minnesota's residents on behalf of the State of Minnesota.

Our associations recognize the high-quality work from Mr. King's team and generally support the findings of the report, especially the confirmation of the necessity for Deputy Registrar fee adjustments and a form of revenue sharing of online transactions.

Most of the findings confirm that compensation for the shift in labor for services from DVS to local service providers has not been matched by a shift in fee allocations leaving public and private Deputy Registrar offices in a position where revenues are significantly less than expenses. Counties and cities have been required to make up for their losses through their levies, but historical intent has been (and Minnesota statute requires) for these services to be self-financing and growing tax levy subsidies raises the question by members of county boards and city councils across the state as to whether they can sustain these losses or discontinue providing these services.

Our associations continue to strongly support the IER recommendation that online and mail-in motor vehicle transaction filing fees captured by DVS be shared with private and public deputies. This or another form of revenue sharing is essential to appropriately fund the significant labor shift from the state onto Deputy Registrars initiated by the Department's release of MNLARS in 2017.

In response to the Department of Public Safety's opposition to revenue sharing, we support an adequate surcharge on all online transactions as a substitute for the IER recommendation.



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In addition to implementing a surcharge per online transaction to be shared by Deputy Registrar offices, we support the following necessary adjustments in transaction fees:

- \$8 increase for driver license renewals, regardless of type
- \$4 increase for motor vehicle tab renewals
- \$8 increase for long form motor vehicle applications, including title transfers

Another important item in the report that we would like to show our support for is the modification to the security and auditing of access to the DVS information system. Both the prohibition of access revocation when proper business access rules are followed, and the establishment of an appeals process are vital for the continued success of the deputy registrar model. We appreciate the amount of time and care that Mr. King's team put into creating this report and appreciate the time and attention the House and Senate Transportation Committees have invested on Deputy Registrars' issues this session.

City and County run license bureaus continue to feel the effects of the MNLARS system over five years ago; now is the time to address the issues facing Deputy Registrars and their future sustainability.

Sincerely yours,

Julie Hanson
Scott County Property & Customer Service Manager, Deputy Registrar 135
Minnesota Association of County Officers

Matt Massman, Executive Director
Minnesota Inter-County Association

Emily Murray
Transportation & Infrastructure Policy Analyst
Association of Minnesota Counties

Intergovernmental Relations Director
League of Minnesota Cities