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## **S.F. No. 2882 - Vehicle Title and Registration System (VTRS), as Amended by the A-5 Amendment**

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**S.F. No. 2882, as amended by the A-5 amendment**, freezes the Minnesota Licensing and Registration System (MNLARS) development after an update in June 2019, and replaces it with a packaged software system that will be licensed from a third-party vendor. The new system, referred to as the Vehicle Title and Registration System (VTRS), will perform vehicle title and registration transactions. A technology surcharge is implemented to pay for ongoing operation and maintenance of VTRS. The fee for driver records and bulk vehicle records is increased and the increased proceeds will pay for ongoing operation and maintenance of VTRS. License plate and driver's licenses fees are increased to pay for staff in the Department of Public Safety's Driver and Vehicle Services Division (DVS).

In addition, the Driver and Vehicle Systems Oversight Committee ("Oversight Committee") is established and replaces the MNLARS Steering Committee. The Oversight Committee oversees MNLARS, VTRS, and the driver's license system. The IT auditor in the Office of the Legislative Auditor must monitor MNLARS and VTRS and report to the Oversight Committee.

The Vehicle Registration Task Force is established to study various methods of vehicle registration and will report back to the legislature. The commissioner of public safety must consider ways to allow for self-service options and on-the-spot fulfillment in both the driver's license system and VTRS.

**Section 1** imposes a \$2.25 surcharge on vehicle registration renewals. The surcharge is deposited into the DVS technology account in the special revenue fund.

**Sections 2 to 9, 11 to 24, and 28** amend provisions relating to various special license plates. The fee is stricken and is replaced with a cross-reference to the statute that sets the fees for license plates (see section 10).

**Section 10** sets the fees for license plates issued on and after August 1, 2019 but before July 1, 2022, and for license plates issued on and after July 1, 2022.

**Sections 25 and 26** increase the fee charged for driver records and bulk vehicle records from one cent to two cents per record requested. The additional revenue from the increase is deposited in the DVS technology account.

**Section 27** requires that \$1.50 of the filing fee on vehicle transactions continue to be deposited into the DVS technology account. Deletes language that would, at a future point, deposit this amount into the vehicle services operating account.

**Section 29** imposes a \$2.25 surcharge on titling fees collected by the department. The surcharge is deposited into the DVS account. Outdated language is stricken.

**Section 30** sets the fees for driver's licenses issued on and after August 1, 2019, but before July 1, 2022, and for licenses issued on and after July 1, 2022. In addition, a surcharge of \$2.25 is imposed on each driver's license and ID card; this surcharge is deposited in the DVS technology account.

**Section 31** provides that the money in the DVS technology account may be used for the development, deployment, and maintenance of the driver and vehicle services information systems. The commissioner must annually report to the legislature on the money in the account and provide an estimate of ongoing system maintenance costs.

**Section 32** requires the IT auditor in the Office of the Legislative Auditor to monitor and report on VTRS and submit quarterly reports on VTRS to the Driver and Vehicle Systems Oversight Committee. The auditor must also complete a final audit of VTRS once the system is fully implemented. This section is effective the day following final enactment.

**Section 33** provides definitions that apply to sections 34 and 35. This section is effective the day following final enactment.

**Section 34** establishes the Driver and Vehicle Systems Oversight Committee ("Oversight Committee"). The MNLARS Steering Committee that was established in 2018 is dissolved and replaced by the Oversight Committee. The membership of the Oversight Committee is the same as the MNLARS Steering Committee. The Oversight Committee must review progress reports and reports from the IT auditor, oversee the implementation of VTRS, oversee the decommissioning of MNLARS, oversee the driver's license system, review fees and surcharges implemented by this act, and hold a public meeting to review contract negotiations for VTRS. The commissioners of public safety and MN.IT and the VTRS vendor must submit quarterly reports to the Oversight Committee. Stakeholders may also submit quarterly reports. The

Oversight Committee must meet at least once each quarter. The Oversight Committee expires six months after full implementation of VTRS. The Oversight Committee must submit a final report to the Office of the Legislative Auditor. This section is effective the day following final enactment.

**Section 35** requires the commissioner of public safety to conduct an expedited procurement process to enter into a contract with a vendor for a packaged software system providing vehicle title and registration services. Stakeholders must be consulted during the implementation of VTRS. After MNLARS update 1.16 in June, 2019, MNLARS will be frozen and maintained at that level until VTRS is live and MNLARS is decommissioned. The roles of DPS and MN.IT are specified. The commissioner of public safety is responsible for determining if the software should be customized. The intended timeline provides that work will begin in summer 2019, VTRS will be fully implemented by the end of calendar year 2020, and MNLARS will be decommissioned by the fall of 2021. This section is effective the day following final enactment.

**Section 36** requires the commissioner of public safety to consider ways in which the driver's license system and VTRS allow for additional self-service options and on-the-spot fulfillment. The commissioner must report to the legislature on the commissioner's findings. This section is effective the day following final enactment.

**Section 37** establishes a vehicle registration task force to study various methods of vehicle registration and the corresponding fee structures. The task force must report back to the legislature by January 15, 2020. This section is effective the day following final enactment.

**Section 38** makes various appropriations:

- \$52,669,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the development and implementation of VTRS.
- \$3,000,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for completion of the driver's license system development and implementation.
- \$3,052,000 in fiscal year 2020 and \$3,291,000 in fiscal year 2021 are appropriated from the vehicle services operating account in the special revenue fund to the commissioner of public safety for additional vehicle services staff.
- \$3,910,000 in fiscal year 2020 and \$4,157,000 in fiscal year 2021 are appropriated from the driver services operating account in the special revenue fund to the commissioner of public safety for additional driver services staff.
- \$50,000 in fiscal year 2020 and \$50,000 in fiscal year 2021 are appropriated from the data security account in the special revenue fund to the legislative auditor for the quarterly reviews and final audit required by section 32.

This section is effective July 1, 2019.

**Section 39** requires the revisor of statutes to correct cross-references elsewhere in statute.

**Section 40** repeals a provision relating to the IT auditor that related to an initial MNLARS audit.

**Section 41** specifies that the sections in this bill are effective on August 1, 2019, unless otherwise specified.

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