



SCOTT LAMBERT, PRESIDENT • 200 LOTHENBACH AVE. • WEST ST. PAUL, MN 55118-3505 • (651) 291-2400 • 1-800-652-9029 • FAX (651) 291-2894  
homepage <http://www.mada.org>

May 2, 2023

Honorable Members of the Conference Committee on House File 2887

**RE: Auto Dealer Positions on H.F. 2887**

Conferees –

Thank you for all your work on the Omnibus Transportation Bill. We appreciate the opportunity to weigh in and share the impacts on Minnesota’s 375 franchised new car and truck dealers.

**Vehicle Title and Registration Provisions**

MADA is extremely *supportive* of the following Senate provisions related to title and registration provisions, and we ask that the conference committee adopt both.

Dealer Documentary Fee (Senate Article 8, Section 8): Minnesota statute allows dealers to charge a documentary fee, which is statutorily capped, to recoup their costs associated with preparing, handling, and processing paperwork on behalf of a customer who’s buying or leasing a vehicle. This covers both commercial transactions for the customer, such as paying off a loan on a trade-in, and government-mandated functions, like processing the vehicle title and registration.

With the advent of MNDRIVE, the bulk of the work for entering and pulling together the title and registration has shifted to the dealer and occurs earlier in the sales process. This has increased the workload of dealership personnel and costs to dealerships, exceeding the current statutory maximum.

An independent evaluation including time and motion studies conducted by consulting firm CLA found that, on average, dealerships spend four hours handling paperwork associated with the sales transaction – at a cost of \$324-409. The phased-in increase of the statutory cap to \$350 over three years, as proposed by the Senate, will allow dealers to recoup the costs of the increased work and compensate employees who have lost commission opportunities due to the added workload from MNDRIVE.

MNDRIVE Auditing (Senate Article 4, Section 14): MNDRIVE has increased the number of individuals accessing DVS data leading DVS to perform more audits (and rightly so). However, state statute requires any inappropriate access of the data to result in immediate and permanent revocation of the user, regardless of whether they are accessing the data for a legitimate business purpose. This provision in the Senate bill, which is a recommendation of the Independent Expert Review, moves away from permanent revocation and gives those accused of misuse due process through establishment of an appeals process. This is a fair resolution, as several Deputy Registrar and dealership employees have lost access – and some their jobs – since the agency’s data access policy is more stringent than federal law.

## Electric Vehicles

Lastly, Minnesota's auto dealers are grateful that both the House and Senate bills include state matching funds for the federal national electric vehicle infrastructure (NEVI) program. Minnesota needs a robust and visible charging network on highway corridors to increase consumer confidence in electric vehicles, so people know they can reliably get across the state as easily as they can their local communities. These dollars are an important start to help us get there.

We are grateful for the opportunity to weigh in and appreciate your consideration of our positions. Please don't hesitate to let me know if you have follow-up questions or if the Association can be a resource to you during the final negotiations.

Sincerely,

A handwritten signature in blue ink that reads "Amber L. Backhaus".

Amber Backhaus  
Vice President of Public Affairs  
MADA