

**Subject** MNLARS & DVS deficiency funding; deputy registrar aid

**Authors** Hansen

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

**Date** February 20, 2019

## Overview

This bill appropriates funds from the general fund in fiscal year 2019 for activities related to the Minnesota Licensing and Registration System (MNLARS), Driver and Vehicle Services (DVS) customer service in the Department of Public Safety, and reimbursement aid to deputy registrars. Each of the appropriations are onetime and effective the day after enactment.

The appropriations are:

- \$6.768 million for ongoing MNLARS motor vehicle software work (including contracting and equipment costs);
- \$5.5 million for phase 2 activities involving the driver's license system;
- \$3.472 million for DVS staffing; and
- \$10 million for reimbursement aid to deputy registrars.

The bill also requires progress reports to the MNLARS Steering Committee (which was established in 2018 as part of MNLARS supplemental funding legislation).

## Summary

Section	Description
1	<b>Deficiency funding request for MNLARS and Driver's License System; appropriation.</b> Appropriates \$12.268 million from the general fund in fiscal year 2019 for ongoing development work on the motor vehicle and driver's license information technology systems. This is a onetime appropriation.
2	<b>Deficiency funding request for DVS; appropriation.</b> Appropriates \$3.472 million from the general fund in fiscal year 2019 for Driver and Vehicle Services customer service activities. This is a onetime appropriation.
3	<b>Progress report.</b> Requires progress reporting to the MNLARS Steering Committee.

Section	Description
4	<p><b>Deputy registrar reimbursements.</b> Establishes formula-based conditional aid to deputy registrars.</p> <p><b>Subd. 1. Appropriation.</b> Appropriates \$10 million from the general fund in fiscal year 2019 to the Department of Management and Budget for aid to deputy registrars. Requires the aid to be available by June 30, 2019.</p> <p><b>Subd. 2. Eligibility.</b> Prevents offices operated by the state from being eligible for the aid.</p> <p><b>Subd. 3. Aid distribution.</b> Creates a formula for aid distribution and specifies calculation methods. The formula is largely based on proportional shares of transactions handled by the deputy registrars, measured based on instances of filing fees collected:</p> <ul style="list-style-type: none"><li>▪ 10 percent of the aid is distributed equally across the office locations.</li><li>▪ 45 percent of the aid is distributed based on each deputy registrar's proportional share of transactions over most of fiscal year 2018 and part of fiscal year 2019.</li><li>▪ 45 percent of the aid is distributed based on each deputy registrar's proportional share of transactions over fiscal years 2015-2017. An average share is used for deputy registrars that have not been in operation over that entire time period.</li></ul> <p><b>Subd. 4. Documentation.</b> Requires one or more deputy registrar associations to submit evidence that the deputy registrars have experienced combined total costs and foregone revenue from MNLARS deployment that are more than the amount of aid being provided. Prevents aid distribution until the documentation is submitted.</p> <p><b>Subd. 5. Conditions.</b> Requires a deputy registrar who receives aid to either stay open for at least one year or return the aid.</p> <p><b>Subd. 6. Immunity and release from liability.</b> Paragraph (a) establishes that distribution of the aid does not constitute a state admission of liability and is not admissible in a legal action to establish liability.</p> <p>Paragraph (b) requires a deputy registrar to agree to release the state from liability related to MNLARS in order to receive the aid.</p>



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn/hrd](http://www.house.mn/hrd) | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155