

To: Senator Scott Newman  
Senator John Jasinski  
Senator Scott Dibble

Representative Frank Hornstein  
Representative Steve Elkins  
Representative John Petersburg

## **JOINT STATEMENT BY MN DEPUTY ORGANIZATIONS REGARDING THE KING I.E.R. REPORT**

*Minnesota's Deputy Registrars represented by MDRA and DRBOA issue the following response to the recently released Independent Expert Review report conducted by Mr. Rick King and his team:*

Our dire situation, both operationally and financially, are well reflected in this report and largely confirms the landscape deputy registrars have been experiencing and operating under for years now. We greatly appreciate the team's hard work in compiling and delivering this report, and largely agree with most of its findings. However, we find a few report recommendation topics require the following clarifications and modifications to best achieve the proper outcomes sought:

- **Deputy Registrars should not be mandated to become full-service DL agents if they aren't already, especially if it's tied to any DVS motor vehicle online transaction revenue sharing.**
  - Affected offices will incur great costs at their own expense for remodeling to participate in any revenue sharing which will not justify their investment.
  - Affected offices that currently handle MV transactions would need to sacrifice existing counter space and clerk stations to accomplish this, which is a customer disservice.
  - "Limited service" offices forced to do this in close proximity to existing full-service offices would negatively impact those other offices financially while achieving minimal, if any, gain for themselves.
  - Most "limited" offices were designated such by DPS because of Department proximity rules specifically governing this. These office's physical and operational structures were predetermined by DPS and cannot now be redesigned without incurring significant cost.
  - All offices have separate location identification numbers as a deputy registrar agent (MV) and driver license agent (DL). Their current **DL** agent distinction should not determine one's eligibility concerning any sharing of state **MV** transaction proceeds.
  
- **Allocation of filing fees for mail-in and online MV transactions to the Deputy Registrars from the State should be 60%.**
  - Deputy Registrars have consistently been denied by DPS the ability to offer this customer service option for nearly 20 years. The volume realized by the State has skyrocketed in just the past two years alone at great cost to our MV service operations and further eroding our sustainability.
  - While these "easier" MV transactions have migrated to the State, deputies are left to handle more complicated transactions that incur more cost with insufficient filing fee revenue.
  - The new MNDRIIVE system requires deputies to input 40% more front-end data for the State without any due compensation. This trend actually began in 2017 with MNLARS.
  - Allocation formula should be based on the one-time MNLARS compensation model to deputies that was passed in 2019.
  - We absolutely disagree with the Department's assertion that no allocation should occur.

- **Non-compliant DL renewal cycle of 8 years should be optional for customer.**
  - Some customers may not wish to have an 8-year credential and prefer 4 years.
  - Any extended period for the DL must have the current filing fee adjusted proportionately.
    - Applicable precedent would be the current 3-year option to renew certain trailers that has its applied filing fee adjusted accordingly.
  - However, we defer to law enforcement regarding the basic question in general of extending the term for these driver licenses.
  
- **Quicker background checks on new employees and an appeals process for access revocation.**
  - Both topics are suggested in the report to be acted upon by DVS and the Legislature.
  - Both are deemed critical to implement for our customer service operations.
    - Background checks can take up to 6 months before any new staff can work.
    - Access revocation currently removes any skilled employee permanently regardless of whether inadvertent factors contributed. An appeals process would address these situations appropriately to preserve a clerk's livelihood along with the affected office's staffing stability.

In closing, we reiterate our general satisfaction with the overall findings and conclusions of the Report of the Independent Expert Review. However, we believe the few suggestions contained above will better clarify and strengthen the report's recommendations to best serve the customer first, while also addressing our struggling deputy registrar network state-wide in placing them on a more stable future.

Thank you,

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