

S.F. No. 2099 – Driver and vehicle service process modifications (First Engrossment)

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S.F. 2099 makes various changes to driver and vehicle services processes to implement the recommendations from the “Driver and Vehicle Services Report of the Independent Expert Review” (“Report”) submitted to the legislature on January 12, 2022.¹

Section 1 [Full-service provider] provides a definition of “full-service provider” in **chapter 168** (vehicle registration). A full-service provider is a person who performs the functions of both a deputy registrar and a full-service driver’s license agent. This corresponds to the term “full-service deputy registrar” used in the Report.

Section 2 [Records and fees] authorizes full-service providers to issue driver and vehicle records and collect a fee.

Section 3 [Requests for information; surcharge on fee] requires a full-service provider to impose a surcharge on certain requests. The full-service provider must submit the fee to the commissioner to be deposited into the general fund. Effective January 1, 2024.

Section 4 [Exception to fee and surcharge] prohibits a full-service provider from collecting the surcharge referenced in **section 3** in certain situations.

Section 5 [Monitoring and auditing] requires the commissioner of public safety to monitor and audit full-service providers providing documents in **section 3** to ensure compliance with state and federal law. Effective January 1, 2024.

¹ The full report is available here:

https://www.senate.mn/committees/2021-2022/3102_Committee_on_Transportation_Finance_and_Policy/IER%20Final%20Report%20-%20Jan%2012%202022.pdf

Section 6 [Surcharge] imposes a new 50 cent surcharge (effective in fiscal year 2026) for all online vehicle-related DVS transactions. The revenue will be deposited in the new full-service provider account in the new Driver and Vehicle Services Fund and will be distributed proportionally to full-service providers (FSPs) and deputy registrars. Allows deputy registrars to assess a 50 cent surcharge (effective in fiscal year 2026) on vehicle-related transactions conducted at deputy registrar offices (including deputies who are FSPs). The revenues will be retained by the deputy registrars. Makes statutory conforming changes related to the structure of DVS operating accounts.

Section 7 [Use of Vehicle Registration Information] allows information about vehicle registrations to be provided over the phone to the owner of the vehicle.

Section 8 [Reports confidential; evidence, fee, penalty, appropriation] allows a full-service provider to provide copies of accident reports and to collect a fee. The full-service provider collects a fee for the request and retains the majority of the fee but must submit a portion of the fee to the commissioner to be deposited into the general fund.

Section 9 [Monitoring and auditing] requires the commissioner of public safety to monitor and audit full-service providers providing documents in **section 7** to ensure compliance with state and federal law. Effective January 1, 2024.

Section 10 [Definition of full-service provider] provides definition of “full-service provider” in Chapter 171 and cross-references the definition provided in **section 1**.

Section 11 [Pre-application] requires the commissioner to establish a electronic process for an applicant to submit a preapplication to apply for a driver’s license or identification card. The preapplication process applies to the commissioner, full-service providers, and driver’s license agents.

Section 12 [Fees] increases the filing fee for driver’s license transactions. Fees for a new application for a noncompliant, REAL ID-compliant, or enhanced driver’s license or identification card are \$16, while fees for a renewal application are \$11.

Section 13 [Manual and study materials availability] requires the commissioner to post on the department’s website the driver’s manual and study support materials for the written and skills exam.

Section 14 [Driver and vehicle services information system; security and auditing] prohibits the commissioner from suspending or revoking access to MnDRIVE when the person properly accessed the data, regardless of whether a transaction was complete. Requires the commissioner to establish an appeals process.

Section 15 [Examination subjects and locations; provisions for color blindness, disabled veterans] requires the commissioner to ensure that 93 stations are located throughout the state between July 1, 2023 and July 1, 2024, and reduces the number of located stations as follows:

- (1) 83 stations in fiscal year 2025;
- (2) 73 stations in fiscal year 2026; and
- (3) 60 stations in fiscal year 2027.

The existing requirements on exam station locations is stricken. The requirement that the commissioner ensure applicants are able to obtain an appointment within 13 days is stricken. The commissioner is required to provide real-time information on the department's website about availability and location of exam appointments. Requires every exam station to be open at least one day per week beginning on July 1, 2026.

Section 16 [Waiver when license issued by another jurisdiction] eliminates the requirement for new Minnesota residents to take the written knowledge test when getting a Minnesota driver's license.

Section 17 [Exam pass rates] requires the Department of Public Safety to publicly post student pass rates for each driver training school. Requires each driver training school to submit a list of students who completed coursework at the school every six months.

Section 18 [Driver and vehicle services fund] creates a new Driver and Vehicle Services Fund in the state treasury.

Section 19 [Driver and vehicle services operating account] combines the existing DVS operating accounts (the driver services operating account and the vehicle services operating account) into a new account called the driver and vehicle services operating account. The new account will consist of all revenues that previously were deposited into the individual accounts and will be located in the Driver and Vehicle Services Fund created in section 18. Under current law, the DVS operating accounts are located in the Special Revenue Fund.

Section 20 [Driver and vehicle services technology account] moves the existing driver and vehicle services technology account to the new Driver and Vehicle Services Fund created in section 18. Under current law, this account is located in the Special Revenue Fund.

Section 21 [Full-Service Provider account] creates the full-service provider account in the new Driver and Vehicle Services Fund. Revenues from the new online transaction surcharge created in section 6 will be deposited in this account, and all money in the account is appropriated to DPS for quarterly distribution to FSPs and deputy registrars based on their relative numbers of completed transactions. The distribution calculation will include an as-yet-undefined multiplication factor for those transactions completed by a deputy registrar.

Section 22 [Report; deputy registrar and driver's license agent financial sustainability] requires the Department of Public Safety to the legislature evaluating the role of deputy registrars and driver's license agents within DVS operations. The report is due July 1, 2024. The report must include a performance evaluation, detail the amount of financial assistance needed for deputy registrars and driver's license agents to achieve financial sustainability, and provide long-term analyses about the role private deputy registrars and driver's license agents will play in the vehicle and driver registration system.

Section 23 [Report; implementation] requires the Department of Public Safety to report to the legislature on the implementation of the provisions in the bill and the other recommendations and plans provided in the Report. The commissioner must report to the legislature at the end of the year about which recommendations have been implemented, are in the process of being implemented, or will not be implemented. The commissioner must also report on whether the recommendations from the March 2021 report by the Legislative Auditor have been implemented.

Section 24 [Appropriation] makes several appropriations and transfers:

- \$10 million in each of fiscal year 2024 and fiscal year 2025 (one-time) are transferred from the general fund to the new full-service provider account created in **section 21**;
- \$750,000 in fiscal year 2024 (one-time) appropriated from the driver and vehicle services operating account to DPS for costs of equipment necessary for a driver's license agent to become a full-service provider;
- \$101,000 in fiscal year 2024 and \$96,000 in each year thereafter appropriated from the driver and vehicle services operating account to DPS for the costs of 1 full-time employee to monitor and audit records provided by FSPs to customers; and
- \$57,000 in fiscal year 2024 and \$51,000 in each year thereafter for 0.5 full-time employee to administer the appeals process for MNDRIVE data access revocations.