

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

In the Matter of the Proposed Rules
Relating to the Appointment and
Operating Requirements of a Deputy
Registrar's Office

STATEMENT OF NEED

The above captioned rules are not amendments to existing rules of the State Department of Public Safety. These rules are being proposed in order to implement Minn. Stat. section 169.33¹⁶⁸ regarding motor vehicle deputy registrar appointments and set forth uniform standards for deputy registrar operations.

11 MCAR S 1.6120 Purpose and Scope.

Minnesota Statute 168.33, delegates the responsibility to the Registrar to appoint and for cause to discontinue a Deputy Registrar. The appointment of a Deputy Registrar shall be in the best interest of the public. Appointment of a Deputy Registrar shall not place on the State of Minnesota any additional burden that does not create a service to the public. A Deputy must be trained to give the best information possible to a customer, as well as, be an agent to the state in collecting taxes in the appropriate amounts. A Deputy is the Registrar's agent in ensuring that all Minnesota Statutes are uniformly administered and all taxes collected.

11 MCAR S 1.6121 Definitions

The definitions used in these proposed rules and regulations are definitions under Minnesota statutes.

11 MCAR S 1.6122 A and B

This rule deals with if and where a new office or new deputy should be established in an area. It is important that the office locations be in the best interest of the public, conveniently located so that quality service is available and the cost of maintaining the office to all parties is not prohibitive.

If the Deputy Registrar has projected his or her future transactions and staffing needs on past experience and a new location is established too close to the other office, that Deputy may not generate sufficient income from the filing fee to keep qualified staff or to cover the office during normal business hours. If sufficient staff is not available, the waiting time for a customer during peak periods of the month could be extended to where it would be an inconvenience and disservice to the customer.

Due to the complexity and the need for extensive knowledge of motor vehicle laws, it follows that a Deputy, handling the variety of transactions that goes with the larger volume of transactions, would have a lower error ratio than a Deputy who does not handle a sufficient volume of transactions. If the Deputy does not handle a variety of transactions on a daily basis, his or her knowledge and familiarity with the laws deteriorates. When a Deputy does not handle a transaction properly the Registrar must either obtain additional information or collect additional taxes. This places a financial burden on the state for the Deputy's error and defeats the purpose of the Deputy acting as an agent for the Registrar. At the same time, this is a disservice to the public, as they will not receive the necessary ownership and/or registration documents promptly. These documents include the Certificate of Title, which is necessary to sell the vehicle or to have when using the vehicle as collateral for loans, or a cab card that must be carried with certain vehicle which are registered under gross weight laws.

The cost to the state is also increased because additional training and ongoing training is needed to keep the level of knowledge sufficient so that customers are not penalized by Deputies not having the proper expertise to handle the transactions. The training is provided by an employee of the Registrar who is assigned to a specific area. When the deputy error rate is high, repeated visits are made to provide training. Not only is additional training needed in these situations, but communication by telephone to check with the Registrar's office on how to handle a transaction involves tying up the Registrar's staff to answer these questions. Other items that enter into the cost to the state in maintaining a Deputy's office involves stocking the Deputy with forms, plates and stickers. It also includes auditing of the taxes and fees collected for the state of Minnesota.

The Deputy Registrar's Association agrees that offices should be spaced so that they are convenient to the public, but, at the same time, these offices should not be an economic burden to the Registrar nor to the Deputies themselves because a sufficient volume level is not maintained. If the costs for either the state or the Deputy Registrars became so exorbitant, the office would have to close or be closed, resulting in a loss of convenience for the public. Experience has shown that when the volume in a deputy's office is less than 20,000, expense to the state increases. However, these offices are a service to the public; offices must be available in rural areas.

11 MCAR S 1.6123 A.

So as not to place a burden on existing offices, only new Deputies, or at the time an existing Deputy moves to a new location, the Deputy is obliged to comply with requirements B through G.

11 MCAR S 1.6123 B.

A Deputy Registrar's office is a business. When transacting business for the State of Minnesota it should be the exclusive business being contracted at the time and a business atmosphere must be maintained. Many Deputies have other businesses that are in the same location, such as: jewelry shops, barber shops, sporting goods shops and clothing shops. These businesses must be kept separate. Minnesota Statute 168.33 specifies that a Deputy maintain a suitable facility for serving the public.

11 MCAR S 1.6123 C.

Plates and stickers signify the payment of taxes and also assists law enforcement in identifying vehicles. A secure storage place for these items must be maintained so that theft of these items does not occur. If plates and stickers are stolen, they are a commodity which, if sold to the public, could be used to evade the payment of taxes. Large amounts of taxes and fees are collected by the Deputy. These monies must also be kept in a secure place so that theft does not occur. Minnesota Statute 168.33, requires that Deputies which are not city or county employees shall give bond in the amount of \$10,000.00 or such amount as the Registrar may require.

11 MCAR S 1.6123 D.

Minnesota Statute 168.33, Subdivision 2, states, "in all cases, the Deputy shall maintain a suitable facility for serving the public". Sufficient office space must be maintained so that the public can be served in an orderly and efficient manner. The space per anticipated customer must be sufficient so that other laws relating to the health of the customer are complied with such as being able to exit the premises in case of a fire.

11 MCARS 1.6123 E.

A handicapped customer who is in need of the service of a Deputy and has the right to the service of the Deputy must be able to conveniently enter and exit the office.

11 MCAR S 1.6123 F.

The public must be able to locate the office of the Deputy Registrar to obtain their services. If an office is not properly identified, it is not providing the services to the public.

11 MCAR S 1.6123 G.

There are other laws governing the sale of motor vehicles and automobile insurance. If a Deputy Registrar is allowed to sell either of these a conflict of interest could develop. For example: A vehicle cannot be registered in Minnesota without supplying the required insurance information. If a person should apply for registration of a vehicle and not have this coverage, the other business interest of the Deputy could interfere with his duty as a Deputy. The individual could be coerced into buying insurance so that the vehicle could be registered. In the handling of motor vehicle transactions, a Deputy examines the paper work that motor vehicle dealers submit. If the Deputy handles both businesses they would be handling their own paper work and the interest of the automobile dealership could come before the meeting of the requirements of being an agent for the Registrar. It is in the best interest of the public and the state of Minnesota that these businesses not be combined.

11 MCAR S 1.6124 A.

Minnesota Statute 168.33, Subdivision 2, requires that each Deputy before entering upon the discharge of his duties, shall take and subscribe to an oath to faithfully discharge his duties and to uphold the laws of this state. The legislative intent of the statute is that the Deputy Registrar must be the principle person in charge of the office. This is the Deputy's personal responsibility and he cannot fulfill it if he does not actively participate in supervising and working in his or her office. An individual, who has taken the oath and does not actively participate in the operation of the office, could be held criminally liable for any unlawful acts which could occur in the office.

Additionally, the statute requires that a Deputy Registrar, who is not an officer or an employee of the county or city, shall be bonded as a condition of the faithful discharge of his duties. This portion of the statute also supports the necessity for the individual to be responsible for the activities of the office.

The American Auto Association was appointed as a Deputy in 1963. Due to this long term appointment and the excellent service that has been provided to the public, continuation of the appointment is in the best interest of the state and general public.

11 MCAR S 1.6124 B.

The Deputy office is a service and must maintain hours that best serve the public. If a Deputy is not available during the normal business hours of the community, the needs of the public are not being met. County and state offices are generally operated on a 40 hour a week time basis.

11 MCAR S 1.6124 C.

Deputy Registrar's are required by Minnesota Statute 168.33, Subdivision 2, to maintain suitable facilities for serving the public. An investment in office space, equipment and personnel suitable to meet their staffing needs for properly serving the public is required of them before being appointed. This investment is based on the projected volume that the office can anticipate. Solicitation such as mass mailings to banks, trucking firms and dealerships, interferes with the balance of the projected profit margin for other Deputy Registrar offices.

If a Deputy is required to make these investments and the profit margin is not sufficient to support the office, the Deputy would then be placed in a situation of losing money. If the Deputy were placed in the situation of not making a profit, he then could try to counteract this loss by cutting staff and their office hours, or even closing and this would effect service to the public in that area. A Deputy must be able to count on some of the large volume businesses in their area so that service to individuals can be absorbed in their operating costs. The large volume customers are familiar with registration laws and submit a number of applications at a time. These customers require less time to handle than the one-on-one with the individual customer who needs assistance because of lack of knowledge of the laws.

Reputable Deputy Registrars concur with this requirement. A Deputy Registrar's livelihood, by legislative intent, is the fees which are collected by their office.

The whole reason for having Deputies is to provide services to a particular geographical area. Deputies must all provide the same services and charge the same fees. Therefore, the only reasonable basis for choosing one deputy over another would be on the basis of location. A Deputy is providing no service to the public by soliciting people outside his geographical area to mail applications to him.

11 MCAR S 1.6124 D.

The Registrar is responsible for the appointed Deputy Registrars. Changing of office locations without the approval of the Registrar removes the necessary control that the Registrar must maintain.

11 MCAR S 1.6124 E.

Minnesota Statute 168.33, Subdivision 2, states in part, "...the filing fee imposed pursuant to Subdivision 7, shall be deposited in the treasury of the place for which he is appointed, or if such deputy is not a public official, he shall retain the filing fee....". The law is specific as to how the filing fee is to be handled. Subdivision 7, mandates a specified amount for a filing fee. If a rebate is given, the Deputy is not charging the fee mandated by the statute.

When an error occurs, whether at a Deputy's office or at the Registrar's office, the individual has already been charged the filing fee for that transaction. If the error was no fault of that individual, he should not be charged to correct it.

11 MCAR S 1.6125

Minnesota Statute 168.33, Subdivision 2, states in part, "...the Registrar may appoint, and for cause discontinue....a Deputy Registrar as the public interest and convenience may require....". It is the Registrar's responsibility to monitor the activities and compliance of the Deputy Registrars and, when appropriate, revoke the appointment. If a Deputy after due warning, does not abide by the pertinent statutes and rules, the purpose of which are to protect and serve the public, his continuation as a Deputy would be a disservice to the public. Therefore, his appointment should be revoked.