

9/14/88

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

In the Matter of the Proposed Adoption
of Rules of the State Department of
Public Safety Governing appointment
and operating requirements of a
deputy registrar office.

STATEMENT OF NEED
AND REASONABLENESS

The above captioned rules are amendments to existing rules of the State Department of Public Safety. The captioned rules were last adopted May 31, 1983.

I. General Statement. The need to adopt these rules arises because of the problem of deputy registrars being located too close in proximity to be cost effective to the public and to ensure that locations are spaced, based on population and need, for the convenience of the public. The proposed amendments are consistent with Minnesota Statutes, section 168.33 and with existing rules and regulations governing the appointment and operating requirements of a deputy registrar office. These amendments further define reasonable criteria used in evaluating whether the public interest and convenience require the appointment of a deputy registrar in a particular city. The registrar believes that the proposed amendments are reasonable because they impose no undue hardship on the appointed deputy registrars, and provide further protection for the public.

In order to make deputy registrar offices cost efficient to the state and to the public it is necessary to place limitations on the number and locations of deputy registrars. The state provides training to deputy registrars on an ongoing basis. The state must also assist deputy registrars with problems, verifying transactions and supplying the deputies with forms, plates and stickers, and auditing the fees and taxes collected for the State of Minnesota.

If more than one deputy is located in an area of low population that cannot support the business of two or more deputy offices, it wastes state resources in training, personnel time and supplies provided to the deputies. The interest of convenience to the public is not served in this manner and state tax dollars are not put to efficient use.

II. Statutory Authority. The department is authorized to promulgate rules under Minnesota Statutes, section 14.06 relating to "administration of official agencies duties to the extent that those procedures directly affect the rights of or procedures available to the public. The motor vehicle administration functions performed by deputy registrars directly affect the rights of and procedures available to the public to comply with statutory motor vehicle requirements. Also, Minnesota Statutes, section 168.33, subd. 2 gives the registrar the power to "appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require...".

III. Small Business Consideration. These rules have some impact on small business in Minnesota, and the department has considered the methods for reducing the impact as required by Minnesota Statutes, section 14.155, subd. 2. The small businesses affected by these rules are potential deputy registrars. The proposed amendments were designed to ensure that the appointment of a deputy registrar is in the best interest of the public. To serve the public interests on convenience of location, quality service and cost effectiveness, it is necessary to impose limitations on where deputy registrars may be located.

These amendments impose no compliance or reporting standards on small businesses. These amendments impose no schedules or deadlines on small businesses. The requirements set by these amendments have been consolidated and simplified to the maximum extent possible consistent with the policy objectives of these rules and Minnesota Statutes, section 168.33. The amendments set no design or operational standards for small businesses. The restrictions set by these amendments must apply equally to all deputy registrars whether they are small businesses or not if the policy objectives of the underlying statute, the promotion of public convenience, and the efficient use of state funds are to be accomplished

IV. Fiscal Note

These amendments do not require the expenditure of public monies so a fiscal note is not required.

V. Impact on Agricultural Land

These amendments will not have a direct or substantial impact on agricultural land.

VI. Fees Imposed

The proposed amendments do not fix any fees nor does the statute authorizing promulgation of the rules require that any rules be fixed. Therefore, no approval from the Commissioner of Finance is required.

VII. Rule by Rule Analysis

7406.0100 Definitions

Subp. 3. Application for registration is changed to reflect the work of deputy registrars. The current definition of application for registration deals only with registering motor vehicles. Deputy registrars perform other functions that are included for purposes of applications for registration.

Subp. 5. Metropolitan County. This definition is added to explain the localities we are describing for purposes of locating a deputy registrar. It is in conformance with the statutory definition in Minnesota Statutes, section 473.121, subd. 4.

Subp. 6. Municipality. This definition is needed to explain those areas affected by deputy registrar location requirements.

7406.0300 Establishing New Office or Appointing New Deputy Registrar

Subp. 1. This subpart deals with Hennepin and Ramsey counties. Because the deputy registrars in these counties are located in densely populated areas it is more cost efficient and in the best interest of the public to increase the number of applications for registration and titling required for new deputies from 20,000 to 35,000. It is reasonable that in densely populated areas that a deputy office should have a greater volume of business than in a rural area. In order to keep the deputy offices cost effective to the public it is reasonable and necessary to expect deputies in these densely populated counties to handle a higher volume of applications than rural areas. In addition, the distance deputies may be located is increased from three to five miles to ensure the cost effectiveness as well as convenience to the public.

The percentage of applications for registration is reduced from 40 percent to 30 percent in determining the volume required for new deputy offices. It is necessary and reasonable to reduce the percentage of applications in light of the increased distances for establishment of new deputy registrars offices described in subp. B to ensure convenient locations for the public.

This percentage cannot be used again to establish an additional deputy registrar within a two year period. This is needed because it takes approximately two years for a new deputy to become established in an area based on the department's past experience. Not until the deputy is established for two years do we have any records on which to accurately base the volume of applications for registration and titling of the new deputy or adjacent deputies.

In using this percentage, if the new deputy office would reduce the volume of the existing deputy to below 35,000 applications, the deputy cannot be established. This is needed to ensure that each deputy office has a sufficient amount of business to make it cost effective to the state and prevent the grouping of deputy offices in certain areas of these counties while other areas are not served properly.

Subp 1a. This subpart deals with other metropolitan area counties and municipalities with over 50,000 population. Here, the estimated number of applications for registration needed to establish a new deputy office remains at 20,000. These areas are not as densely populated as Hennepin and Ramsey counties. It is necessary to keep the number of applications at 20,000 in order to provide for adequate service to the public in these less densely populated areas.

A. The percentage of applications for registration used for establishment of a new deputy office decreases with the increase in distance to existing deputy office locations, to ensure that less populated and rural areas are adequately served. Otherwise people may be forced to drive a long distance in order to use this service.

These figures were determined by looking at the size of the other metropolitan counties and cities over 50,000 and the population of these areas.

In using these percentages, if the new deputy office would reduce the volume of the existing deputy to below 20,000 applications, the deputy cannot be established. This is needed to ensure that each deputy office has a

sufficient amount of business to make it cost effective to the state and prevent the clustering of deputy offices in certain areas of these counties while other areas are not served properly.

This percentage cannot be used again to establish an additional deputy registrar within a two year period. This is needed because it takes approximately two years for a new deputy to become established in an area based on the department's past experience. Not until the deputy is established for two years do we have any records on which to accurately base the volume of applications for registration and titling of the new deputy or adjacent deputies.

The ten mile radius required for establishment of a new deputy office will prevent the clustering of several deputies within a few miles of one another in order to provide convenient locations to the public.

Subp 2. Other Areas. This subpart deals with all other municipalities not included in subpart 1 or 1a. This subpart changes the distance requirement for establishment of a new deputy registrar office in rural and less populated areas of the state. The word "radius" was added to clarify the method of measuring. This is needed in less populated and rural areas to ensure that deputy offices are well spaced in order to provide convenient locations to the public and ensure that rural deputies can maintain an adequate amount of business to make it cost effective to the state.

7406.0500 General Operating Rules for Deputy Registrars

Subp. 1c. This is necessary and reasonable because the registrar must have the name of a person involved in the business at a level of authority when problems arise with respect to errors on transactions, changes in the laws and other business related activities. If any criminal acts occur, a person must be held accountable

7406.0700 Exemption

This subpart exempts from the requirements of part 7406.0300 a new deputy appointed to an existing deputy office due to death, resignation or retirement of the existing deputy registrar. This is necessary and reasonable because an existing deputy presumably has a established business with regular clientel and to close that business would be inconvenient to the public. Three months is a reasonable period of time to provide for an appointment to the vacant deputy registrar. Three months is adequate to provide notice of a vacancy and to review applications based on the registrar's past experience with deputy vacancies.

Conclusion

Based on the foregoing, the Department of Public Safety's proposed amendments are both necessary and reasonable.

Paul Tschida
Commissioner

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