

CHAPTER 7406
DEPARTMENT OF PUBLIC SAFETY
DRIVER AND VEHICLE SERVICES DIVISION
DEPUTY REGISTRARS

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7406.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given them.

Subp. 2. **Registrar.** "Registrar" has the meaning given it in Minnesota Statutes, section 168.011, subdivision 18.

Subp. 3. **Application for registration.** "Application for registration" includes a transaction received by a deputy registrar in conjunction with registering, reregistering, transferring, or titling vehicles and does not include requests for refunds, the surrender of certificates of title on junked vehicles, or those transactions listed in part 7406.0500, subpart 5, item B.

Subp. 4. **Metropolitan area.** "Metropolitan area" has the meaning given it in Minnesota Statutes, section 473.121, subdivision 2.

Subp. 5. **Metropolitan county.** "Metropolitan county" has the meaning given it in Minnesota Statutes, section 473.121, subdivision 4.

Subp. 6. **Municipality.** "Municipality" includes a statutory city, home rule charter city, and town.

Statutory Authority: *MS s 14.06; 168.33*

History: *13 SR 1733*

7406.0200 PURPOSE AND SCOPE.

Subpart 1. **Purpose.** The purpose of this chapter is to carry out the mandate of the legislature as set forth in Minnesota Statutes, section 168.33 with respect to the appointment and regulation of motor vehicle deputy registrars.

Subp. 2. **Scope.** The scope of this chapter is intended to be confined within the framework of and to be consistent with Minnesota Statutes, chapters 168 and 168A.

Statutory Authority: *MS s 14.06; 168.33*

7406.0300 ESTABLISHING NEW OFFICE OR APPOINTING NEW DEPUTY REGISTRAR.

Subpart 1. **Hennepin and Ramsey counties.** The following conditions must be met before a new deputy registrar office is approved or a new deputy registrar is appointed in Ramsey or Hennepin county:

A. The estimated number of applications for registration that a new deputy registrar office will process annually must be at least 35,000. The number of applications for registration will be estimated as 30 percent of the applications for registration processed within the preceding year by existing deputy registrar offices located within a radius of the proposed new office of over five miles and less than 9-1/2 miles.

If a percentage of applications for registration submitted to an existing dep-

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uty registrar office is used to establish a new deputy registrar office, that percentage may not be used again to establish another office within a two-year period.

If the use of a percentage of applications for registration submitted to an existing deputy registrar office, to establish a new deputy registrar office, would reduce the number of applications to below 35,000 for the existing office, the proposed new deputy registrar office may not be established.

An application for appointment as a deputy registrar may not be considered within a two-year period following the establishment of a new deputy registrar office if the applicant's office is proposed to be located within ten miles of the newly established office.

B. The proposed new office must not be located within a five-mile radius of an existing deputy registrar office.

Subp. 1a. Other metropolitan counties; municipalities with over 50,000 population. The following conditions must be met before a new deputy registrar office is approved or a new deputy registrar is appointed in a metropolitan county, not including Hennepin and Ramsey counties, or in a municipality with a population exceeding 50,000, not including municipalities in Hennepin and Ramsey counties:

A. The estimated number of applications for registration that a new deputy registrar office will process annually must be at least 20,000. The number of applications for registration will be estimated as the largest number computed in subitem (1), (2), or (3):

(1) 30 percent of the applications for registration processed within the preceding year by existing deputy registrar offices located within a radius of the proposed new office of over five miles but less than 6-1/2 miles;

(2) 20 percent of the applications for registration processed within the preceding year by existing deputy registrar offices located within a radius of the proposed new office of at least 6-1/2 miles but less than eight miles; or

(3) ten percent of the applications for registration processed within the preceding year by existing deputy registrar offices located within a radius of the proposed new office of at least eight miles but less than 9-1/2 miles.

If a percentage of applications for registration submitted to an existing deputy registrar office is used to establish a new deputy registrar office, that percentage may not be used again to establish another office within a two-year period.

If the use of a percentage of applications for registration submitted to an existing deputy registrar office, to establish a new deputy registrar office, would reduce the number of applications to below 20,000 for the existing office, the proposed new deputy registrar office may not be established.

An application for appointment as a deputy registrar may not be considered within a two-year period following the establishment of a new deputy registrar office if the applicant's office is proposed to be located within ten miles of the newly established office.

B. The proposed new office must not be located within a five-mile radius of an existing deputy registrar office.

Subp. 2. Other areas. In all other municipalities not included in subpart 1 or 1a, the following conditions must be met before a new deputy registrar office is approved:

A. The estimated number of applications for registration that a new deputy registrar office will process annually must be at least 4,000. The number of applications for registration will be estimated as follows: 20 percent of the applications for registration processed within the preceding year by existing deputy registrar offices located within 20 miles of the proposed new office, or, if there is no existing deputy registrar office located within 20 miles of the proposed new office, the total number of new car sales multiplied by four, made by all new car

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dealers within 25 miles of the proposed new office as determined by a survey taken by the registrar, plus one-half the population of the municipalities that are closer to the new proposed office than to an existing deputy registrar office.

B. The proposed new office must not be located within a 15-mile radius of or 25 minutes driving time from an existing deputy registrar office, except in municipalities having a population of 25,000 to 50,000.

C. The proposed new office must not be located in a municipality of less than 25,000 population if there is an existing deputy registrar office in that municipality.

D. The proposed new office must not be located in a municipality having a population of 25,000 to 50,000 unless there are less than two existing deputy registrar offices in that municipality.

Statutory Authority: *MS s 14.06; 168.33*

History: *13 SR 1733*

7406.0400 DEPUTY REGISTRAR OFFICE REQUIREMENTS.

Subpart 1. **In general.** Any new office or change in location must comply with subparts 2 to 7.

Subp. 2. **Exclusive area.** A deputy registrar office must contain an area or room used exclusively for processing applications. It may not be used for living space or for transacting any other business. A counter or divider must be installed within the exclusive area or room to separate the public from the deputy registrar and employees.

Subp. 3. **Security.** The following security requirements must be provided:

A. The office must contain a secured area to store plates and stickers.

B. The office must contain a security safe or vault.

Subp. 4. **Size of exclusive area.** The size of the exclusive area or room is based on the projected estimated number of applications that will be processed annually by the deputy registrar.

A. If the projected estimated number of applications to be processed annually is between 5,000 and 8,000, the exclusive area or room must contain a minimum of 300 square feet.

B. If the projected estimated number of applications to be processed annually exceeds 8,000, the exclusive area or room must contain a minimum of 400 square feet.

Subp. 5. **Accessibility.** The office must be accessible to the handicapped.

Subp. 6. **Identification.** An outdoor sign must be prominently displayed to identify the office.

Subp. 7. **Conflicting business interests.** A deputy registrar office may not be operated in conjunction with the sale of motor vehicles or automobile insurance.

Statutory Authority: *MS s 14.06; 168.33*

7406.0450 REPORTING AND DEPOSITING PRACTICES.

Subpart 1. **Definition.** For purposes of this part, the words "next working day" mean the twenty-four hour period following the daily close of the deputy registrar's records. A working day does not include Saturdays, Sundays, or legal holidays listed in Minnesota Statutes, section 645.44, subdivision 5; nonbanking days of approved state depositories; or holidays authorized under Minnesota Statutes, section 373.052, subdivision 1, for deputies who are county officers or employees.

Subp. 1a. **Submitting documentation.** Deputy registrars shall deliver the completed motor vehicle registration and title forms and applications to the registrar, mail the forms and applications in the United States mail addressed to the registrar, or send the forms and applications to the registrar by a package delivery ser-

vice before the end of the next working day following the receipt of the completed forms or applications.

Subp. 2. Reporting registrations, fees, and taxes. Deputy registrars shall report to the registrar, on a form prescribed or approved by the registrar, a summary of the motor vehicle registrations made each working day. The summary must contain a list of the names of the transferees or registrants, excluding the names of parties applying solely for renewal, the type of transaction for which registration was required, and the amount of fees and taxes collected. Each working day the deputy registrars shall report to the registrar and to the Minnesota state treasurer, on forms supplied by the Department of Finance, the total amount of registration fees and taxes collected and deposited under subpart 3. Deputy registrars shall deliver the summary report of daily motor vehicle registrations and the report of the registration fees and taxes collected to the registrar and the Minnesota state treasurer by mailing the reports in the United States mail addressed to the registrar and to the Minnesota state treasurer, or by sending the reports to the registrar and to the Minnesota state treasurer by a package delivery service, before the end of the next working day following the day for which the reports are made.

Subp. 3. Depositing fees and taxes. Before the end of each working day, deputy registrars shall deposit an amount equal to the motor vehicle fees and taxes collected the previous working day, excluding the filing fees collected under Minnesota Statutes, section 168.33, subdivision 2. Deputy registrars shall make the deposits in approved state depositories to the credit of the state, in accordance with Minnesota Statutes, section 168.33, subdivision 2. The date of deposit is the actual day on which the deposit is made regardless of whether that date is the same as the date the deposit is recorded by the state depository. Deposit may be made by any method acceptable to the state depository including wire transfer.

Subp. 4. Maintaining records. At their business facilities, deputy registrars shall keep complete records for deposits made to approved state depositories and the daily summary reports prepared under subpart 2 for motor vehicle registrations and fees and taxes collected.

Subp. 5. Penalty. On discovering a violation of subpart 3, the registrar must send a warning notice to the deputy registrar. The notice must identify the violation and tell the deputy registrar that if the deputy registrar violates subpart 3 again in the following month, a money penalty will be imposed. For each month immediately following a month for which the deputy registrar is warned or penalized, in which the deputy registrar violates subpart 3 again, the registrar shall impose a penalty of \$10 or an amount computed by the following formula, whichever is greater.

$$\text{Days Late} \times \text{Delinquent Amount} \times \text{Daily Rate} = \text{Penalty}$$

where:

Days Late = Actual number of days each deposit is delinquent

Delinquent Amount = Actual amount each deposit is delinquent

Daily Rate = Interest on all state funds without authority to be invested separately, as determined by the Minnesota Department of Finance, for the month the deposit was due, divided by the number of days in the month the deposit was due.

In determining the number of days a deposit is late, weekends and holidays must be included only if the deposit is determined to be already at least two days late. The registrar shall continue to impose monthly penalties until the deputy registrar is no longer in violation of this part.

Subp. 6. Notice of penalty. The registrar shall send a written notice of penalty by certified mail. The notice must identify the violations of Minnesota Statutes, section 168.33, and subpart 3 for which the penalty is imposed. The notice must also tell the deputy registrar when the penalty is due, how the penalty must be paid, and how to obtain a review of the penalty.

Subp. 7. **Unpaid penalties.** If a penalty remains unpaid for 30 days from the date the registrar mailed the notice of penalty and if no review is requested, the registrar shall make a claim for payment against the deputy registrar's performance bond, or in the case of a public official serving as a deputy registrar, the registrar shall demand payment from the county treasurer.

Subp. 8. **Administrative review.** When the registrar notifies a deputy registrar that a penalty has been imposed:

A. The deputy registrar may ask the registrar to review the penalty. The deputy registrar may request a review by submitting a statement, together with written materials showing that the deputy registrar processed the motor vehicle registrations in compliance with Minnesota Statutes, section 168.33, subdivision 2, and this chapter. The request for review must be submitted within ten days after the deputy registrar receives the notice of penalty. The registrar shall review the materials and notify the deputy registrar within ten days whether the penalty will be affirmed or rescinded. A deputy registrar may withhold the penalty during the review period but must pay the penalty to the state depository account by the end of the working day following notice that the penalty is affirmed.

B. The deputy registrar may request a formal hearing with or without undergoing the review process set out in item A. The request must be in writing and must be received within 30 days of the day the notice of penalty was mailed. When a formal hearing is requested, the registrar will arrange a contested case hearing before an administrative law judge under Minnesota Statutes, chapter 14. After the hearing, the administrative law judge may recommend that the registrar affirm, modify, or reverse the penalty. The penalty will only be affirmed if the penalty was calculated correctly and the late deposit was the result of foreseeable circumstances within the control of the deputy registrar.

Subp. 9. **Revocation.** Imposing a penalty under this part does not affect the registrar's authority to revoke the appointment of a deputy registrar under part 7406.0600.

Statutory Authority: *MS s 14.06; 168.33*

History: *13 SR 2091*

7406.0500 GENERAL OPERATING RULES FOR DEPUTY REGISTRARS.

Subpart 1. **Sole operator.** A deputy registrar must manage the office in accordance with the following:

A. Except for publicly operated and American Automobile Association deputy registrar offices, a deputy registrar must be the principal person in charge of the office and must actively participate in the processing of applications.

B. Except for publicly operated and American Automobile Association deputy registrar offices, a deputy registrar may not delegate to another person the authority or responsibility of operating the office. The deputy must be in the office operating it on a full-time basis.

C. If a corporation is a deputy registrar under Minnesota Statutes, section 168.33, subdivision 2, the individual signing for the corporation as deputy registrar must be an officer of the corporation. This individual is responsible for the duties of the corporation as a deputy registrar.

Subp. 2. **Hours.** Deputy registrar offices must be open for business at least 40 hours during each normal workweek.

Subp. 3. **Solicitation.** Deputy registrars may not solicit or seek to provide service beyond 75 percent of the distance between his or her office and the office of another deputy registrar.

Subp. 4. **Location.** A deputy registrar appointment is for operating an office in the specific location named by the registrar. A deputy registrar may not change the office location without the approval of the registrar.

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Subp. 5. Filing fees. Filing fees must be governed by the following requirements:

A. A deputy registrar must charge and receive the full filing fee specified by law. Rebates are prohibited.

B. No additional fee may be charged for a correction required in a previously submitted application if the error requiring the correction was made by the registrar, a member of the registrar's staff, or by a deputy registrar or employee of a deputy registrar.

Statutory Authority: *MS s 14.06; 168.33*

History: *13 SR 1733*

7406.0600 PENALTY.

The registrar shall revoke the appointment of any deputy registrar who violates any requirement of Minnesota Statutes, section 168.33 or this chapter, unless the violation is corrected or discontinued or any deficiency supplied within 30 days after the registrar has given notice to the deputy registrar of the violation. Notice shall be given by certified mail.

Statutory Authority: *MS s 14.06; 168.33*

7406.0700 EXEMPTION.

Notwithstanding part 7406.0300, a new deputy registrar may be appointed for an existing location upon the death, resignation, or retirement of an existing deputy registrar whose office does not comply with the requirements for distance or number of applications for registration processed. If, within three months, a new deputy registrar appointment is not accepted by the person to be appointed or if the office is not established by the appropriate local government, then part 7406.0300 applies.

Statutory Authority: *MS s 14.06; 168.33*

History: *13 SR 1733*