

**TO: MAYOR AND CITY COUNCIL**

**FROM: LANELL ENDRES, FINANCE DIRECTOR/ASSISTANT CITY ADMINISTRATOR**

**SUBJECT: SUPPORTING MAINTENANCE OF DEPUTY REGISTRARS**

**MEETING DATE: JANUARY 2, 2018**

**BACKGROUND**

As you are probably aware, the State of Minnesota implemented a new software program used for the processing of motor vehicle transactions (Minnesota Licensing and Registration System-MNLARS). This transition has not gone smoothly and resulted in most offices incurring additional expenses. These problems have caused longer processing times that limit Deputies typical volume of daily business and the shift of many of the clerical responsibilities from State to local offices will be ongoing. This is creating financial issues for many Deputy Registrar offices since the filing fee revenue no longer covers the operational costs of these offices.

The Minnesota Deputy Registration Association (MDRA) Board is asking for Council support of a resolution requesting the State to consider adjusting filing fees or reallocating existing State fees back to Deputy Registrar offices.

**REQUESTED COUNCIL ACTION**

I hereby request a motion to adopt the resolution supporting the maintenance of Deputy Registrar offices.

Attachment:  
Resolution

**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2324**

**RESOLUTION SUPPORTING  
THE MAINTENANCE OF LOCAL LICENSE BUREAUS**

**WHEREAS**, the State of Minnesota established a deputy registrar network to provide our citizens with motor vehicle titling and registration services, including driver license transactions; and,

**WHEREAS**, deputy registrars are required to operate as agents on behalf of the State of Minnesota without compensation from the State for the services they offer; and,

**WHEREAS**, in 1949, the State of Minnesota established in statute a user-based filing fee on motor vehicle and driver license transactions to be retained by the deputy registrar to defray all their costs to provide this localized service to our citizens for the State; and,

**WHEREAS**, the State of Minnesota now receives over \$1 billion annually in state fees and taxes collected through the deputy registrar network; and,

**WHEREAS**, the State of Minnesota has now shifted substantial clerical and auditing responsibilities onto the deputy registrar network due to the State's conversion to their new MNLARS (Minnesota Licensing and Registration System) program; and,

**WHEREAS**, the new MNLARS regimen is now documented to have multiple shortcomings which have severely strained normal deputy registrar operations with longer processing times that greatly limit their typical volume of daily business; and,

**WHEREAS**, other MNLARS shortcomings have frequently forced deputies to conduct "no-(filing) fee" services for customers which acerbates the deputy business model; and,

**WHEREAS**, deputy registrar offices are now forced to invest in additional staff, office equipment, and more space to meet customer demand due to the MNLARS conversion; and,

**WHEREAS**, the filing fee revenue no longer covers the operational costs to maintain deputy registrar offices such that many local government-based deputies are seeking local property tax subsidies and private operators are applying for lines of credit to stave off complete closure,

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Cannon Falls, Minnesota calls upon the State Legislature and our Governor to enact legislation in 2018 to provide deputy registrars with proper compensation by reallocating from existing

state fee structures or other appropriate filing fee adjustments to ensure their valued service and continued presence remains in our local community to serve our citizens and the State.

**ADOPTED** by the City Council of Cannon Falls this 2<sup>nd</sup> day of January, 2018.

**CITY OF CANNON FALLS**

---

Lyman M. Robinson  
Mayor

ATTEST: \_\_\_\_\_  
Ronald S. Johnson  
City Administrator