



MEETING MINUTES

Name:	Motor Vehicle Registration Compliance Working Group		
Meeting Date:	August 15, 2024	Organizer:	Greg Loper, DVS
Meeting Time:	9:00 – 11:00 am	Location:	WebEx Link ; Town Square Skyway Large Conference Room

Purpose of the Meeting
The purpose of the meeting is to launch the Motor Vehicle Registration Compliance Working Group and get an overview of the current landscape in Minnesota and other states.

Attendance at Meeting					
Invited:	Position:	✓	Invited:	Position:	✓
Greg Loper	Vehicle Services Program Director, DVS		Tim Lynaugh	Assistant Commissioner, MN Dept. of Public Safety (DPS)	
Joe Lohmeier	Project Manager, FAST Enterprises		Marcy Coleman	Vehicle Program Manager, AAMVA	
Josh Knatterud-Hubinger	Chief Financial Officer, MN Dept. of Transportation (MnDOT)		Jason Bartell	Capt., MN State Patrol	
Margaret Donahoe	Exec. Dir., MN Transportation Alliance (MTA)		Frank Douma	Director of State & Local Policy and Outreach, Institute for Urban and Regional Infrastructure Finance [representing Center for Transportation Studies, Univ. of MN]	
Wayne Johnson	Commissioner, Otter Tail County [representing Assoc. of MN Counties]		Scott Lambert	Pres., MN Automobile Dealers Assoc. (MADA)	



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Joe Leko	Sheriff, Dakota County Sheriff/MN Sherrif's Assoc.		Jeff Lenarz	Pres., MN Deputy Registrars Assoc. (MDRA)	
Ken Mohr	VP of Operations, Automobile Assoc. of America (AAA)		John Mulder	City Administrator, City of Hermantown [representing League of MN Cities]	
Jared O'Reilly	Board of Directors, MN Deputy Registrar Business Owners Assoc. (DRBOA)		Brian Peters	Exec. Dir., MN Police and Peace Officers Assoc.	
Jeff Potts	Exec. Dir., MN Chiefs of Police Assoc.		Marissa Schmitz	Policy Manager, MN Dept. of Revenue	
Wendy Spry	Tribal Liaison, MN DOC				

Meeting Agenda		
Subject:	Owner:	Notes:
Welcome and introductions	Greg Loper	
Opening remarks	Tim Lynaugh	
Scope of work and Working Group requirements	Greg Loper	
Presentation – Registration Renewals in Minnesota	Joe Lohmeier	
Presentation – Nationwide Trends in Registration Renewal	Marcy Coleman	Removed. Will be rescheduled for later meeting
Presentation – MnDOT Transportation Funding Overview	Josh Knatterud-Hubinger, MnDOT	
Assign Action Items	Greg Loper	
Propose date for next meeting	Greg Loper	

Action Items Assigned		
Date Assigned:	August 15, 2024	
Assigned Owner:	Due Date:	Assigned Action Item:



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All working group members	Sept. 18 2024	Discuss among your spheres of influence alternatives to legal enforcement of registration tax; bring ideas to next meeting for working group discussion
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Meeting Minutes

August 15, 2024

Working Group Attendees:

- Greg Loper, Tim Lynaugh, Joe Lohmeier, Josh Knatterud-Hubinger, Jason Bartell, Margaret Donahoe, Frank Douma, Wayne Johnson, Scott Lambert, Joe Leko, Jeff Lenarz, John Mulder, Jared O'Reilly, Brian Peters, Jeff Potts, Marissa Schmitz.

Guests:

- Kate Gallagher, Tina Rabideau, Erik Rudeen, Seth Sanbower, one member of the public

Welcome and Introductions:

- Greg Loper called the meeting to order at 9:02 am
- Greg welcomed the group and thanked them all for attending
- Greg thanked DVS staff for their help and support
- Agenda and link to this meeting are on the DVS website:
<https://dps.mn.gov/divisions/dvs/news/Pages/mv-registration-compliance.aspx>
- Change to agenda: Marcy Coleman from American Association of Motor Vehicle Administrators was to attend this meeting and present information on registration tax in other states
 - She could not attend this meeting
 - Her presentation will be moved to a later meeting
- Presentations for this meeting will be made available on the DVS website (link given above)

Opening Remarks from DPS Assistant Commissioner Lynaugh:

- Technical difficulties prevented Assistant Commissioner Lynaugh from being able to provide opening remarks

Scope of Work and Working Group Requirements:

- Greg outlined the scope of work and requirements as given by the Minnesota legislature:
 - Convene by Sept. 1, 2024
 - Representatives of specific entities must be invited to participate in working group
 - DVS may add other individuals
 - Working group is to examine motor vehicle registration, registration tax collection, and registration tax compliance
 - Publish report of recommendations to legislature by Feb. 15, 2025
 - Working group members are not compensated for their time
 - Greg thanked the group for volunteering their time



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Presentation: Registration Renewals in Minnesota:

- Joe Lohmeier, Project Manager for Fast Enterprises, gave the presentation
 - Non-compliance (non-payment of registration tax) is consistent year over year
 - Non-compliance is not necessarily because of non-payment
 - Vehicle could be out-of-use, junked, or left the state
 - Data show large spike of non-compliance in month of February
 - These are for recreational vehicles, motorcycles, trailers, etc.
 - When registration tax is paid late, it is usually paid within 1-2 months of the expiration date
 - No loss of revenue occurs because amount paid includes back taxes to the time of last renewal
 - However, revenue is collected later than expected
 - Most people (57%) renew registration at a deputy registrar office
 - 23% use DVS website
 - 14% renew by mail
 - 6% scan QR code on renewal reminder card
 - Kiosk use, so far, is negligible
 - When late, 74% of people visit a deputy registrar office
 - 22% use DVS website
 - 3% renew by mail
 - 1% use kiosk
 - Paper reminders are mailed to 88% of people
 - 12% have signed up to receive email reminders
 - One paper reminder is mailed to recipients
 - Three email reminders are sent to those who provided email address to DVS
 - In response to questions from working group members:
 - Email reminders are significantly less expensive for DVS than mailed reminders
 - DVS has had ability to send email reminders since Nov. 2020
 - Since Jan. 2023, DVS has been sending three email reminders:
 - 60 days before expiration
 - 7 days
 - Day of expiration
 - DVS captures customer emails through any transaction taking place at a deputy registrar office
 - People can also sign up on DVS website to receive emails
 - Of the late renewals, 86% were sent paper notices
 - 14% were sent email reminders
 - Monthly, between 50,000 – 70,000 renew late

Presentation: Transportation Funding Overview

- Josh Knatterud-Hubinger, Chief Financial Officer, MN Dept. of Transportation, gave the presentation
 - Biggest source of funding for transportation comes from Highway User Tax Distribution (HUTD) Fund
 - HUTD gets revenue from three major sources:



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- Registration tab fees (34%)
- Gas tax (33%)
- Motor vehicle sales tax [MVST] (25%)
 - 60% of MVST goes to roads and bridges
 - 40% goes to transit
 - These three sources are written into the state's constitution
 - State sales tax also provides revenue (7%)
 - This funding is provided according to state law
 - Distribution of HUTD is specified by state constitution:
 - 95% distributed
 - 62% to the Highway Fund
 - Includes MnDOT, State Patrol, and DPS
 - 38% to county and municipal funds
 - 5% is set aside
 - Registration tax on passenger vehicles brings in \$5.3 million per year
 - Average passenger vehicle owner pays \$152 per vehicle per year
 - Minnesota uses combination of value- and age-based methods for calculating tax
 - 40 states use flat rate
 - Neighboring states use flat rate, value/age-based, or age/weight-based methods
 - Registration tax keeping pace with inflation, thanks to recent legislation
 - By 2027, revenue will have increased 30% to adjust for inflation
 - In answer to question from working group member, commercial motor vehicles are grouped in the non-passenger, or "other," category
 - Registration revenue from this category accounts for \$100 million/year

Assigned Action Items:

- Greg requested each working group member seek ideas from their spheres of influence and be prepared to discuss at the next meeting
- DVS staff will contact working group members before the next meeting to solicit talking points for the agenda
- In response to question from working group member, there is no website set up for group members to post questions or documents
 - Reminder that the presentations are available on the DVS website

Next Meeting:

- Wednesday, Sept. 18, 2024
- Time TBD
- Duration two hours
- AAMVA will present on registration tax in other states

Meeting adjourned at 10:30 am by Greg Loper

Meeting minutes respectfully submitted by Liz Lauder, DVS Management Analyst



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Next Meeting					
Date:	Sept. 18, 2024	Time:	9:00 am	Location:	WebEx and St. Paul