

**7404.0450 REPORTING AND DEPOSITING PRACTICES.**

Subpart 1. **Reporting applications; fees.** A report of the applications collected and all application and reinstatement fees due and owed the state must be transmitted by the agent to the commissioner each day the agent's office is open to the public, before the end of the next working day, in an electronic format or other means approved by the commissioner.

A. The report must:

- (1) indicate the applicant's full name and date of birth, or the applicant's Minnesota driver's license, permit, or state identification card number;
- (2) specify the type of application;
- (3) list the application and reinstatement fees collected; and
- (4) include the completed applications.

B. The report must contain a financial statement listing the total amount of application and reinstatement fees collected and deposited under subparts 2 and 2a. The financial statement must provide the office location identification number, report number, report date, and total amount of the deposit for that report.

C. The report must be transmitted or delivered to the commissioner, before the end of the next working day following the collection of any applications or fees, by electronic transfer or other alternative means approved by the commissioner.

D. All applications and fees collected in an agent's office must be included on the report for the day the applications and fees were collected in the office.

E. A minimum of one summary report must be completed for all applications and fees collected during each working day.

F. More than one report may be submitted for a working day with prior approval from the commissioner.

G. If an agent's office does not collect any applications or fees on a working day the office is scheduled to be open, a report must still be filed with the commissioner indicating that no applications or fees were collected that day.

H. Supporting documents for applications listed on the report must be delivered electronically or by other means approved by the commissioner such as:

- (1) United States mail;
- (2) a package delivery service;
- (3) electronic transfer;
- (4) hand delivery; or

(5) another method approved by the commissioner.

I. An agent must file with the commissioner reports of the agent's credit card and debit card transactions for application and reinstatement fees.

**Subp. 1a. Processing credit card and debit card transactions.**

A. At the daily close of office records on each working day, the agent shall settle the batch containing all credit card and debit card transactions conducted that day according to procedures prescribed by the commissioner.

B. The agent shall store all signed merchant copies of the credit card and debit card receipts for the transaction amount and the convenience fee at the agent's office location and shall maintain all signed merchant copies of the credit card and debit card receipts for the transaction amount and the convenience fee according to subpart 3.

C. The agent is responsible for all credit card and debit card chargebacks when a person successfully disputes a transaction charged to the person's credit card or debit card.

**Subp. 2. Depositing application fees.** Before the end of each working day, each agent shall deposit an amount equal to the total of all application and reinstatement fees collected the previous working day, excluding the filing fees collected under Minnesota Statutes, section 171.061, subdivision 4.

A. The agent shall make all deposits according to the requirements in subpart 2a.

B. The amount listed for the total of all application and reinstatement fees collected must cover any shortages for any applications processed and stamped as paid, including any unsettled credit card and debit card transactions.

C. The agent shall process credit card and debit card transactions through the bank designated by the commissioner.

D. The agent shall authorize the designated bank to deposit the proceeds of the credit card and debit card transactions to the agent's business or personal bank account.

E. The agent shall transfer an amount equal to all application and reinstatement fees collected the previous working day that were paid for using a credit card or debit card to the state-designated depository, or to a depository approved under subpart 2a.

**Subp. 2a. Reporting deposits to commissioner.** On the date the deposit of fees is due, the agent shall ensure that a financial statement of the deposits made is reported to the commissioner according to the procedures and in a format as specified in this part.

A. All deposits must be made in a depository that meets the requirements in this subpart.

B. The depository must be authorized by the agent to allow the state to electronically withdraw funds from the agent's account in an amount equal to the

application and reinstatement fees reported to the state. This item affects only those agents that received authorization before October 1, 2009, for automatic deposit of funds from the agent's bank account to the state depository.

C. Any depository used for the deposit of fees due and owed the state must either:

(1) be a state-designated depository; or

(2) meet the depository and collateral requirements in Minnesota Statutes, section 9.031.

D. Any funds collected on a working day in excess of the total fees listed on the report described in subpart 1, minus filing fees and imprest cash, must be deposited as application or reinstatement fees.

Subp. 2b. **Reconciling reported excesses.** If any agent documents the need for a refund of a reported payment of excess funds, the commissioner shall refund or credit the reported excess funds if the submitted documentation substantiates the reported excess.

Subp. 3. **Maintaining records.** At the agent's office, the agent shall keep complete records for deposits made to approved state depositories and the daily reports prepared under subpart 1.

A. The records must be maintained for three years.

B. Once an application is received by the agent, the application and the information contained on the application and any attached documents become the property of the state of Minnesota and are subject to the terms of the Data Practices Act under Minnesota Statutes, chapter 13.

C. The application, any attached documents, and the information contained on the application or documents may not be released by the agent without prior approval from the commissioner, except when authorized by statute for law enforcement personnel and by court order.

Subp. 3a. **Destroying private or confidential data.** Use, storage, or destruction of any media with private or confidential information must be done in such a way that the information is irretrievable and cannot be revealed to anyone not entitled to see it.

Subp. 4. **Warning notice.** On discovering a violation of subpart 2 or 2a, the commissioner shall send a warning notice, by certified mail, to the agent warning of the violation. The warning notice must identify the violation and tell the agent that if the agent violates subpart 2 or 2a again within 180 days of the date on the notice, a late payment charge will be imposed.

Subp. 4a. **Late payment charge; calculation.** For each subsequent violation of subpart 2 or 2a, the commissioner shall impose a late payment charge of \$30 or an amount computed by the following formula, whichever is greater.

A. The number of calendar days for which payment is late begins on the date on the late payment charge notice. The late payment notice must be issued by certified mail and contain the information specified in subpart 5.

B. Calendar days late x delinquent amount x daily rate = late payment charge, where:

(1) calendar days late = actual number of calendar days each deposit is delinquent;

(2) delinquent amount = actual amount each deposit is delinquent; and

(3) daily rate = interest on all state funds without authority to be invested separately, as determined by the Minnesota Department of Management and Budget, for the month the deposit was due, divided by 365 days.

C. In determining the number of calendar days a deposit or report is late, weekends and holidays shall be included only if the deposit is determined by the commissioner to be already at least two calendar days late.

D. The commissioner shall continue to impose monthly late payment charges until the agent no longer is in violation of this part.

Subp. 5. **Notice of late payment charge.** The late payment charge notice must:

A. identify the violations of subparts 2 and 2a and Minnesota Statutes, section 171.061 for which the late payment charge is imposed; and

B. inform the agent when the late payment charge is due, how the late payment charge must be paid, and how to obtain a review of the late payment charge.

Subp. 6. **Unpaid late payment charges.** If a late payment charge remains unpaid for 30 days from the date the commissioner mailed the notice of late payment charge and if no review is requested, the commissioner shall make a claim for payment against the agent's bond, or in the case of a public official or employee serving as an agent, the commissioner shall demand payment from the county treasurer or municipality.

Subp. 7. **Administrative review.** When the commissioner notifies an agent that a late payment charge has been imposed, the agent may ask the commissioner to review the late payment charge.

A. The agent may request a review by submitting a statement, together with written materials showing that the agent processed the applications in compliance with this chapter and Minnesota Statutes, chapter 171.

B. The request for review must be submitted within ten days from the date the notice of late payment charge was issued.

C. The commissioner shall review the request and notify the agent within ten days of receipt of the request for review, whether the late payment charge will be affirmed or rescinded.

D. An agent may withhold the late payment charge during the review period but must pay the late payment charge to the state depository account by the end of the working day following notice that the late payment charge is affirmed.

E. The commissioner shall affirm the late payment charge only if the charge was calculated correctly and the late deposit was the result of foreseeable circumstances within the control of the agent.

Subp. 8. **Discontinuance.** An agent who fails to comply with a late payment charge notice is subject to discontinuance of the agent's appointment under part 7404.0800.

**Statutory Authority:** *MS s 14.06; 14.386; 171.06; 171.061; 373.35*

**History:** *23 SR 1454; 32 SR 1283; L 2009 c 101 art 2 s 109; 37 SR 239*

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