

7406.0450 REPORTING AND DEPOSITING PRACTICES.

Subpart 1. **Close of records.** At the time of appointment, the deputy registrar shall notify the commissioner in writing of the days that the office will be open and the time of the daily close of office records.

The deputy registrar shall not change the time of the daily close of office records without notifying the commissioner in writing at least 15 days before the proposed effective date of the change, and the deputy registrar shall not implement the change unless the commissioner has approved it.

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

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

B. The deputy registrar shall store all signed merchant copies of the credit card and debit card receipts for the transaction amount and the convenience fee at the office location and shall maintain all signed merchant copies of the credit card and debit card receipts according to subpart 4.

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

Subp. 2. **Reporting registrations, fees, and taxes.** A report of the motor vehicle fees and taxes collected and the motor vehicle transactions collected for the department each working day must be transmitted by the deputy registrar to the commissioner according to the procedures specified in this part and in an electronic format or other alternative means prescribed or approved by the commissioner. The report must include:

A. the names of the parties of the collected transactions, excluding the names of parties applying solely for renewal;

B. the type of transaction;

C. the listing of motor vehicle fees and taxes collected for the department on that day;

D. the completed motor vehicle documents and required information for the transactions as specified by the commissioner; and

E. a financial statement listing the total amount of motor vehicle fees and taxes collected, deposited, and reported under subparts 3 and 3a.

(1) The financial statement must provide the office location identification number, report number, report date, and the total amount of the deposit for that report.

(2) All transactions, motor vehicle fees, and taxes collected in an office must be included on the report for the day the transaction, motor vehicle fees, and taxes were collected in the office.

(3) A minimum of one report must be completed for all transactions, motor vehicle fees, and taxes collected during each working day.

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

(5) If an office does not collect any transactions, motor vehicle fees, or taxes on a working day the office is scheduled to be open, a report must still be filed with the commissioner indicating that no transactions, motor vehicle fees, or taxes were collected for that day.

(6) The report must be transmitted or delivered to the commissioner before the end of the next working day following the receipt of the documents, motor vehicle fees, and taxes by electronic transfer or other alternative means approved by the commissioner.

(7) Supporting documents for transactions listed on the report must be delivered either by United States mail, by a package delivery service, by hand delivery, or by other means approved by the commissioner.

(8) A deputy registrar must file with the commissioner, on a form and in a manner as the commissioner may require, reports of the deputy registrar's credit card transactions for motor vehicle fees and taxes.

Subp. 2a. **Processing and reporting incomplete motor vehicle transactions.** The processing and reporting requirements specified in this subpart must be met if an incomplete transaction is received by a deputy registrar.

A. The incomplete transaction must not be listed on the daily report for the office until all motor vehicle fees and taxes are collected for the transaction.

B. State inventory must not be released to the customer until all motor vehicle fees and taxes are collected for the transaction.

C. State fees and taxes must not be deposited or reported before the time of collection for the transaction.

D. Incomplete transactions for which motor vehicle fees and taxes cannot be collected the same working day that the transactions were received must be dated with the date that the transactions were received by the deputy registrar and placed in the incomplete processing area required under part 7406.0400, subpart 2, item B.

E. In the case of motor vehicle transactions, state fees and taxes, the deputy registrar shall collect all motor vehicle fees and taxes for the transaction or return the

incomplete transaction to the customer within two working days following receipt of the transaction.

F. In the case of an incomplete transaction that is accepted, the deputy registrar shall inform the customer that the transaction will not be considered accepted and stamped paid until the transaction is completed and all motor vehicle fees and taxes are collected.

G. A deputy registrar must notify the commissioner if the deputy registrar's office intends to receive incomplete motor vehicle transactions and submit to the commissioner a floor plan of the office space as required under part 7406.0360, subpart 4. If the deputy registrar ceases to accept incomplete motor vehicle transactions, the deputy registrar shall notify the commissioner within ten days of the change.

Subp. 3. Depositing motor vehicle fees and taxes.

A. Before the end of each working day, each deputy registrar shall deposit an amount equal to the total of all motor vehicle fees and taxes collected the previous working day according to the requirements in subpart 3a. The amount listed for the total of all motor vehicle fees and taxes collected must cover any shortages for any motor vehicle transactions collected and stamped as paid, including any unsettled credit card and debit card transactions.

B. The deputy registrar shall process credit card and debit card transactions through the bank designated by the commissioner.

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

D. The deputy registrar shall transfer an amount equal to all motor vehicle fees and taxes 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 3a.

Subp. 3a. Reporting deposits to commissioner. On the date the deposit of motor vehicle fees and taxes are due, the deputy registrar shall ensure that a financial statement of the deposits made are reported to the commissioner according to the procedures and in a format 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 deputy registrar to allow the state to electronically withdraw funds from the deputy registrar's account in an amount equal to the motor vehicle taxes and fees reported to the state. This item affects only those deputy registrars that received authorization before October 1, 2009, for automatic deposit of funds from the deputy registrar's bank account to the state depository.

C. Any depository used for the deposit of taxes or fees due and owing 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 motor vehicle taxes and fees listed on the report described in subpart 2, minus filing fees and imprest cash, must be deposited as motor vehicle registration tax.

Subp. 3b. **Reconciling reported excess.** If a deputy registrar 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. 4. **Maintaining records.** At the deputy registrar's office, the deputy registrar must keep complete records for deposits made to approved state depositories and the daily reports prepared under subpart 2 for motor vehicle registrations and motor vehicle fees and taxes collected.

A. The records must be maintained for three years.

B. Once the records and the corresponding motor vehicle documents are received by the deputy registrar, the records, documents, and information contained on the records and 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. The records, documents, and information contained on the records and documents may not be released by the deputy registrar without prior approval from the commissioner, except when authorized by statute for law enforcement personnel and by court order.

Subp. 4a. **Destroying private or confidential data.** Storage or destruction of any document 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. 5. **Warning notice.** On discovering a violation of subpart 3 or 3a, the commissioner must send a warning notice, by certified mail, to the deputy registrar warning of the violation.

The warning notice must identify the violation and tell the deputy registrar that if the deputy registrar violates subpart 3 or 3a again within 180 days of the date on the notice, a late payment charge will be imposed.

Subp. 5a. **Late payment charge; calculation.** For each subsequent violation of subpart 3 or 3a after a warning notice has been issued, 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 6.

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 or report is delinquent;

(2) delinquent amount = actual amount each deposit or report 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 or report was due, divided by 365 days.

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

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

Subp. 6. **Notice of late payment charge.** The late payment charge notice must identify the violations of Minnesota Statutes, section 168.33, and subpart 3 or 3a for which the late payment charge is imposed.

The notice must also tell the deputy registrar 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. 7. **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 deputy registrar's performance bond, or in the case of a public official serving as a deputy registrar, the commissioner shall demand payment from the county treasurer.

Subp. 8. **Administrative review.** When the commissioner notifies a deputy registrar that a late payment charge has been imposed:

A. The deputy registrar may ask the commissioner to review the late payment charge. 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 from the date the notice of late payment charge was issued. The commissioner shall review the materials and notify the deputy registrar within ten days of receipt of the request for review, whether the late payment charge will be affirmed or rescinded. A deputy registrar 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.

B. 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 deputy registrar.

Subp. 9. **Discontinuance.** A deputy registrar who fails to comply with the late payment charge notice may be subject to discontinuance of the deputy registrar's appointment under parts 7406.0800 to 7406.1000.

Statutory Authority: *MS s 14.06; 168.33; 171.061; 299A.01*

History: *13 SR 2091; 20 SR 2784; L 2003 c 112 art 2 s 50; 29 SR 97; L 2009 c 101 art 2 s 109; 35 SR 1974*

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