

1.1 **Department of Public Safety**

1.2 **Proposed Permanent Rules Relating to Credit or Debit Card Payments for Motor**
1.3 **Vehicle and Driver's License Transactions**

1.4 **7404.0100 DEFINITIONS.**

1.5 [For text of subps 1 to 9, see M.R.]

1.6 Subp. 9a. **Convenience fee.** "Convenience fee" means an additional amount charged
1.7 to a person's credit card or debit card because the person chooses to pay for a transaction
1.8 by credit card or debit card.

1.9 [For text of subps 10 to 22, see M.R.]

1.10 **7404.0400 AGENT OFFICE REQUIREMENTS.**

1.11 [For text of subps 1 to 3, see M.R.]

1.12 **Subp. 4. Inventory and equipment.** Inventory and equipment must be maintained
1.13 in a secure manner during and after business hours.

1.14 [For text of items A to H, see M.R.]

1.15 I. The agent must have an office that is equipped with the technological
1.16 infrastructure required to process credit card data or debit card data using a card-processing
1.17 terminal or other hardware provided by the commissioner. "Technological infrastructure"
1.18 means the physical hardware used to interconnect computers and users. It includes the
1.19 transmission media and other devices that control transmission paths, and includes the
1.20 software used to send, receive, and manage the signals that are transmitted. The agent is
1.21 responsible for the cost for the technological infrastructure.

1.22 [For text of subps 5 to 8, see M.R.]

1.23 **7404.0450 REPORTING AND DEPOSITING PRACTICES.**

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

2.6 [For text of items A to H, see M.R.]

2.7 I. An agent must file with the commissioner, on a form and in a manner as the
2.8 commissioner may require, reports of the agent's credit card transactions for application
2.9 and reinstatement fees.

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

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

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

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

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

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

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

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

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

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

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

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

3.16 B. The depository must be authorized by the agent to allow the state to
3.17 electronically withdraw funds from the agent's account in an amount equal to the
3.18 application and reinstatement fees reported to the state. This item affects only those agents
3.19 that received authorization before October 1, 2009, for automatic deposit of funds from
3.20 the agent's bank account to the state depository.

3.21 [For text of item C, see M.R.]

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

3.25 [For text of subps 2b to 8, see M.R.]

4.1 **7404.0500 GENERAL OPERATING PRACTICES.**

4.2 [For text of subps 1 to 8, see M.R.]

4.3 Subp. 8a. Credit card acceptance; general requirements.

4.4 A. An agent shall accept credit cards and debit cards as a method of payment
4.5 for application and reinstatement fees. The commissioner shall specify the types of credit
4.6 and debit cards that the agent can accept for payment.

4.7 B. Ordinarily, an agent shall operate at least one card-processing terminal in the
4.8 office at which driver's license transactions are conducted. But an agent may operate a
4.9 point-of-sale information system, or other similar information system used to process and
4.10 manage business transactions, if:

4.11 (1) the convenience fee rate that is charged to credit or debit card
4.12 transactions is the same rate that all agents charge for such transactions;

4.13 (2) the information system meets the requirements of the state's credit
4.14 card vendor;

4.15 (3) there is no cost to the commissioner for the operation and maintenance
4.16 of the agent's information system; and

4.17 (4) the commissioner approves the information system.

4.18 C. The commissioner shall:

4.19 (1) provide card-processing terminals at no cost to the agent; and

4.20 (2) replace defective card-processing terminals at no cost to the agent.

4.21 D. The agent shall provide the technological infrastructure as specified in part
4.22 7404.0400, subpart 4, item I.

4.23 E. The commissioner shall provide the agent with signage in an electronic
4.24 format that states:

5.1 (1) the types of credit cards that the agent must accept for payment of
5.2 application and reinstatement fees; and

5.3 (2) a convenience fee is added to a transaction paid by credit card or debit
5.4 card.

5.5 The agent shall display this signage in a prominent location within the public viewing
5.6 area of the office.

5.7 F. The agent shall inform a person who chooses to pay by credit card or debit
5.8 card of the amount of the convenience fee and shall obtain the person's consent to the
5.9 convenience fee before completing the transaction.

5.10 G. An agent is responsible for chargebacks as specified in part 7404.0450,
5.11 subpart 1a, item C.

5.12 Subp. 8b. **Credit card acceptance; variance procedure.** An agent may apply to
5.13 the commissioner for a variance from the provision in subpart 8a requiring acceptance
5.14 of credit cards and debit cards. A variance to subpart 8a does not include a variance
5.15 to the technology requirements in part 7404.0400, subpart 4, item I. Application for a
5.16 variance may be made by submitting a written request to the commissioner according to
5.17 this subpart. The commissioner shall consider the following factors when reviewing
5.18 the request for a variance:

5.19 A. the agent's written statement of reasons why credit card and debit card
5.20 acceptance would impose serious economic hardship;

5.21 B. bank statements from the agent's office for the preceding three months;

5.22 C. the average number and average amount of driver's license transactions
5.23 conducted in the agent's office during the preceding year; and

5.24 D. additional information requested by the commissioner or supplied by the
5.25 agent.

6.1 Subp. 8c. **Credit card acceptance; commissioner's review.** The commissioner
6.2 shall review the agent's request for a variance under subpart 8b and grant it or deny it
6.3 within 30 calendar days of its receipt, or within 30 calendar days from the date of the
6.4 commissioner's request for additional information, whichever is later. The commissioner
6.5 shall give the agent written justification for a decision to deny the variance. Failure of the
6.6 agent to submit the additional information requested under subpart 8b within 15 calendar
6.7 days of the request is cause for the commissioner to deny a request for a variance. This
6.8 procedure is not a contested case hearing as defined in Minnesota Statutes, chapter 14.

6.9 [For text of subps 9 to 11, see M.R.]

6.10 **7406.0100 DEFINITIONS.**

6.11 [For text of subps 1 to 9a, see M.R.]

6.12 Subp. 9b. **Convenience fee.** "Convenience fee" means an additional amount charged
6.13 to a person's credit card or debit card because the person chooses to pay for a transaction
6.14 by credit card or debit card.

6.15 [For text of subps 10 to 20, see M.R.]

6.16 Subp. 20a. **Next working day.** "Next working day" means the 24-hour period
6.17 following the daily close of the deputy registrar's office. A working day does not include:

6.18 A. a Saturday, Sunday, or legal holiday listed in Minnesota Statutes, section
6.19 645.44, subdivision 5;

6.20 B. a nonbanking day of approved state depositories;

6.21 C. a holiday authorized under Minnesota Statutes, section 373.052, subdivision
6.22 1, for deputy registrars who are county officers or employees; or

6.23 D. a day that an office is not open for business, upon approval from the
6.24 commissioner.

7.1 [For text of subps 21 to 25, see M.R.]

7.2 **7406.0400 DEPUTY REGISTRAR OFFICE REQUIREMENTS.**

7.3 [For text of subps 1 to 3, see M.R.]

7.4 Subp. 3a. **Technology requirements.** A deputy registrar must have an office that
7.5 is equipped with the technological infrastructure required to process credit card data
7.6 or debit card data using a card-processing terminal or other hardware provided by the
7.7 commissioner. "Technological infrastructure" means the physical hardware used to
7.8 interconnect computers and users. It includes the transmission media and other devices
7.9 that control transmission paths, and includes the software used to send, receive, and
7.10 manage the signals that are transmitted. A deputy registrar is responsible for the cost for
7.11 the technological infrastructure.

7.12 [For text of subps 4 to 7, see M.R.]

7.13 **7406.0450 REPORTING AND DEPOSITING PRACTICES.**

7.14 Subpart 1. **Definition Close of records.** For purposes of this part, the words "next
7.15 working day" mean the 24-hour period following the daily close of the office's records.

7.16 A. ~~A working day does not include Saturdays, Sundays, or legal holidays listed~~
7.17 in Minnesota Statutes, section 645.44, subdivision 5; nonbanking days of approved state
7.18 depositories; holidays authorized under Minnesota Statutes, section 373.052, subdivision
7.19 1, for county officers or employees; or days that an office is not open for business, upon
7.20 approval from the commissioner.

7.21 B. At the time of appointment, ~~written notification must be made by the deputy~~
7.22 registrar to shall notify the commissioner in writing of the days that the office will be open
7.23 and the time of the daily close of ~~the~~ office records.

7.24 C. The deputy registrar shall not change the time of the daily close of office
7.25 records ~~may not be changed without prior written notification to~~ without notifying the

8.1 commissioner in writing at least 15 days before the proposed effective date of the change,
8.2 and the deputy registrar shall not implement the change unless the commissioner has
8.3 approved it.

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

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

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

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

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

8.19 [For text of items A to D, see M.R.]

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

8.22 [For text of subitems (1) to (7), see M.R.]

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

9.1 [For text of subp 2a, see M.R.]

9.2 **Subp. 3. Depositing motor vehicle fees and taxes.**

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

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

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

9.14 D. The deputy registrar shall transfer an amount equal to all motor vehicle fees
9.15 and taxes collected the previous working day that were paid for using a credit card or debit
9.16 card to the state-designated depository, or to a depository approved under subpart 3a.

9.17 **Subp. 3a. Reporting deposits to commissioner.** On the date the deposit of motor
9.18 vehicle fees and taxes are due, the deputy registrar shall ensure that a financial statement
9.19 of the deposits made are reported to the commissioner according to the procedures and
9.20 in a format specified in this part.

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

9.23 **B.** The depository must be authorized by the deputy registrar to allow the state
9.24 to electronically withdraw funds from the deputy registrar's account in an amount equal to
9.25 the motor vehicle taxes and fees reported to the state. This item affects only those deputy

10.1 registrars that received authorization before October 1, 2009, for automatic deposit of
10.2 funds from the deputy registrar's bank account to the state depository.

10.3 [For text of item C, see M.R.]

10.4 D. Any funds collected on a working day in excess of the total motor vehicle
10.5 taxes and fees listed on the report described in subpart 2, minus filing fees and imprest
10.6 cash, must be deposited as motor vehicle registration tax.

10.7 [For text of subps 3b to 9, see M.R.]

10.8 **7406.0500 GENERAL OPERATING RULES FOR DEPUTY REGISTRARS.**

10.9 [For text of subps 1 to 7, see M.R.]

10.10 **Subp. 7a. Credit card acceptance; general requirements.**

10.11 A. A deputy registrar shall accept credit cards and debit cards as a method of
10.12 payment for motor vehicle transactions. The commissioner shall specify the types of
10.13 credit and debit cards that the agent can accept for payment.

10.14 B. Ordinarily, a deputy registrar shall operate at least one card-processing
10.15 terminal in the office at which motor vehicle transactions are conducted. But an agent
10.16 may operate a point-of-sale information system, or other information system used to
10.17 process and manage business transactions, if:

10.18 (1) the convenience fee rate that is charged to credit or debit card
10.19 transactions is the same rate that all agents charge for such transactions;

10.20 (2) the information system meets the requirements of the state's credit
10.21 card vendor;

10.22 (3) there is no cost to the commissioner for the operation and maintenance
10.23 of the agent's information system; and

10.24 (4) the commissioner approves the information system.

11.1 C. The commissioner shall:

11.2 (1) provide card-processing terminals at no cost to the agent; and

11.3 (2) replace defective card-processing terminals at no cost to the agent.

11.4 D. The agent shall provide the technological infrastructure as specified in part
11.5 7404.0400, subpart 4, item I.

11.6 E. The commissioner shall provide the deputy registrar with signage in an
11.7 electronic media format that states:

11.8 (1) the types of credit cards that the deputy registrar must accept for
11.9 payment of a motor vehicle transaction; and

11.10 (2) a convenience fee is added to a transaction paid by credit card or debit
11.11 card.

11.12 A deputy registrar shall display this signage in a prominent location within the public
11.13 viewing area of the office.

11.14 F. A deputy registrar shall inform a person who chooses to pay by credit card
11.15 or debit card of the amount of the convenience fee and shall obtain the person's consent
11.16 to the convenience fee before completing the transaction.

11.17 G. A deputy registrar is responsible for chargebacks as specified in part
11.18 7406.0450, subpart 1a, item C.

11.19 Subp. 7b. **Credit card acceptance; variance procedure.** A deputy registrar may
11.20 apply to the commissioner for a variance from the provision in subpart 7a requiring
11.21 acceptance of credit cards and debit cards. A variance to subpart 7a does not include
11.22 a variance to the technology requirements in part 7406.0400, subpart 3a. A deputy
11.23 registrar shall submit a written request to the commissioner for a variance to subpart
11.24 7a. Application for a variance may be made by submitting a written request to the

12.1 commissioner according to this subpart. The commissioner shall consider the following
12.2 factors when reviewing the request for a variance:

12.3 A. the deputy registrar's written statement of reasons why credit card and debit
12.4 card acceptance would impose serious economic hardship;

12.5 B. bank statements from the deputy registrar's office for the preceding three
12.6 months;

12.7 C. the average number and average amount of motor vehicle transactions
12.8 conducted in the deputy registrar's office during the preceding year; and

12.9 D. additional information requested by the commissioner or supplied by the
12.10 deputy registrar.

12.11 Subp. 7c. **Credit card acceptance; commissioner's review.** The commissioner
12.12 shall review the deputy registrar's request for a variance under subpart 7b and grant
12.13 or deny it within 30 calendar days of its receipt, or within 30 calendar days from the
12.14 date of the commissioner's request for additional information, whichever is later. The
12.15 commissioner shall give the deputy registrar written justification for a decision to deny the
12.16 variance. Failure of the deputy registrar to submit the additional information requested
12.17 under subpart 7b within 15 calendar days of the request is cause for the commissioner to
12.18 deny a request for a variance. This procedure is not a contested case hearing as defined in
12.19 Minnesota Statutes, chapter 14.

12.20 [For text of subps 8 to 11, see M.R.]