

Motor Vehicle Registration Compliance Working Group

November 20, 2024

Wilder Research Agenda

- Introductions
- Report Timeline
- Environmental Scan Results
- Evaluation Criteria Definitions
- Methods Overview
- Advantages & Disadvantages of Methods
- Methods Rankings
- Evaluation of Methods Based on Criteria

Report Timeline

- 12/9/2024- Wilder Research (WR) will provide report draft to DVS
- **12/16/2024-** WR will provide report draft to working group members
- **12/20/2024-** Working group members complete report revisions
- 1/2/2025- WR will provide report draft to the commissioner's office
- 2/1/2025- WR will send final report to DVS for submission to the Legislature
- 2/15/2025- DVS submits final report to the Legislature

Environmental Scan Results

- The following were identified as potential methods for consideration:
 - Automatic License Plate Readers that can identify license plate numbers and potentially link them to expired registration
 - Electronic Vehicle Registration (EVR) or other RFID systems, that can identify and track vehicles, including expired registration
 - Eliminate the convenience fee for renewing online with a credit/debit card
 - Examine the vehicle insurance database and compare this information to registered vehicles

Environmental Scan Results- cont.

- Examine newly issued drivers licenses for people who have moved to Minnesota from out-of-state; cross check for vehicle registration
- Search large parking lots (e.g., businesses (especially those that lease cars), airports, car dealers, universities) and look for vehicles registered in other states; put notices on the cars that are out of compliance
- Send renewal notices by mail with follow-up notices after registration expires; ensure the notices are brightly colored or easily recognizable
- Increase public education efforts to explain why paying registration fees is important



Evaluation Criteria Definitions

Effectiveness

- Higher rates of vehicle registration compliance and able to collect overdue taxes

Administrative Efficiency

- Does not increase administrative burden (resources), require excessive new and infrastructure, and provides an equal or positive return on investment

Equity

- Fair, just, and accessible to all- ensuring no specific group is disproportionately impacted



Burden on Motor Vehicle Owners

- Easy steps or processes that minimize time and financial impacts on vehicle owners

Substantial Elimination of Vehicle Registration Enforcement through Traffic Stops

- Minimizes or eliminates the need for traffic stops by law enforcement officers as a means of enforcing vehicle registration compliance by identifying other administrative approaches



Methods Overview

Compliance Methods

- People can report a vehicle driving with expired tabs
- Additional options include:
 - Automatic License Plate Readers
 - Electronic Vehicle Registration (EVR) or other RFID systems
 - Examine the vehicle insurance database and compare this information to registered vehicles
 - Examine newly issued drivers licenses for people who have moved to Minnesota from out-of-state; cross check for vehicle registration
 - Search large parking lots (e.g., businesses (especially those that lease cars), airports, car dealers, universities) and look for vehicles registered in other states; put notices on the cars that are out of compliance

Collection Methods

- Alignment with individual income taxes: *registration will be paid as part of the individual income tax process.*
- Revenue recapture: *DOR can recapture (or take) your individual tax refunds or other payments and apply them to debts that they are collecting for other agencies.*
- Supplemental revenue capture with road use charging or mileage-based user fees: *fees distributed across time period instead of paying larger fee at time of purchase.*
 - Minnesota Statutes 270A: Tax refunds will be offset to apply to the delinquent debts. Refund offsets will be the only means of collection in this program
 - Minnesota Statutes 16d: DOR will take all efforts allowed by law, including but not limited to levies, liens, payment plans and license revocations to collect the delinquent debts

Penalties

- Shift to civil penalties rather than criminal penalties
- Late renewal fees (\$10-\$50)
- Current registration required for benefits: *won't be able to buy state park pass, fishing/hunting license, etc. if registration isn't current.*
- Additional options include:
 - Establish a time limit to the penalty (e.g., under 12 months expired is civil penalty, over 12 months is criminal penalty)
 - Current registration required to access paid parking locations

Process Improvement

- Retention of license plates with a vehicle following a change of ownership: *the person selling the vehicle keeps their original license plate*
- Additional options include:
 - Send renewal notices by mail with follow-up notices; ensure the notices are brightly colored or easily recognizable
 - Allow online renewal and in-person tab pickup at deputy registrar offices
 - Eliminate the convenience fee for renewing online with a credit/debit card
 - Allow auto-renewal with a credit/debit card
 - Resources for people who can't afford to renew tabs (similar to DPS Lights On program)

Education

- Social media education: *increase in social awareness in order to collect registration fees and renewals.*
- Additional options include:
 - Broad media campaign
 - Targeted campaign at DVS locations when acquiring or renewing license
 - Law enforcement could provide information during a traffic stop (assuming law enforcement is no longer enforcing compliance)



Advantages & Disadvantages of Methods

Compliance Methods

	Advantages	Disadvantages
People can report a vehicle driving with expired tabs	<ul style="list-style-type: none">• Personalized reminders could be effective	<ul style="list-style-type: none">• Can be used as retribution + exacerbate inequities• Administrative burden if reported to DVS• Counterproductive if reported to law enforcement

Compliance Methods- cont.

	Advantages	Disadvantages
Automatic License Plate Readers		
EVR or other RFID systems		
Compare vehicle insurance database to registered vehicles		
Examine newly issued drivers licenses for people who have moved to Minnesota from out-of-state; cross check for vehicle registration		
Search large parking lots for vehicles registered in other states		

Collection Methods

	Advantages	Disadvantages
Alignment with individual income taxes	<ul style="list-style-type: none">• Connection to the state + existing processes• Occurs at the same time each year	<ul style="list-style-type: none">• Heavy administrative burden + cost concerns• Not everyone files income tax• Decreased trust + transparency• Viability concerns for deputy registrars
Revenue recapture	<ul style="list-style-type: none">• Gives MDOR authority to collect fees for state + deputy registrars• Minimal agency resources• Successfully used with other agencies	<ul style="list-style-type: none">• Difficulties with tracking vehicle ownership• Concerns with administrative capacity• Compounds economic burden for marginalized groups
Supplemental revenue capture with road use charging or mileage-based user fees	<ul style="list-style-type: none">• Existing research/pilots + policies in other states• Potentially more equitable to tie fees to road usage	<ul style="list-style-type: none">• High administrative costs• Confusion + public disapproval

Penalties

	Advantages	Disadvantages
Shift to civil penalties rather than criminal penalties	<ul style="list-style-type: none">• Expired tabs are not a public safety issue• Would increase equity without compromising revenue• Minimizing "policing for profit"	<ul style="list-style-type: none">• Uncertainty around where penalties will be processed/monitored• Uncertainty around law enforcement ability to make stops for expired tabs• Concerns about lack of accountability + fraud
Late renewal fees	<ul style="list-style-type: none">• Creates financial incentive to renew registration• Relatively simple	<ul style="list-style-type: none">• Punitive + compounds economic burden• Would require protections for sellers
Current registration required for benefits	<ul style="list-style-type: none">• Minimally invasive for non-owners and compliant owners• Transparency on connection between registration + benefits• Could be effective in tandem with other solutions	<ul style="list-style-type: none">• Would touch a relatively small number• Increased burden on businesses

Penalties- cont.

	Advantages	Disadvantages
Establish a time limit to the penalty (e.g., under 12 months expired is civil penalty, over 12 months is criminal penalty)		
Current registration required to access paid parking locations		

Process Improvement

	Advantages	Disadvantages
Expansion and process improvement for renewal (general)	<ul style="list-style-type: none">• Makes it easier for people to comply, especially if additional burden is introduced	<ul style="list-style-type: none">• Online renewals/autopayments create viability issues for physical offices
Retention of license plates with a vehicle following a change of vehicle ownership	<ul style="list-style-type: none">• This is the policy in other states• Puts less onus on the seller if the buyer is non-compliant	<ul style="list-style-type: none">• Creates more work for each title transfer• Concerns about record management

Process Improvement- cont.

	Advantages	Disadvantages
Send renewal notices by mail with follow-up notices; ensure the notices are brightly colored or easily recognizable		
Allow online renewal and in-person tab pickup at deputy registrar offices		
Eliminate the convenience fee for renewing online with a credit/debit card		
Allow auto-renewal with a credit/debit card		
Resources for people who can't afford to renew tabs		

Education

	Advantages	Disadvantages
Social media education	<ul style="list-style-type: none">• Would educate on changing /new laws• Reminds people/jogs people's memories• Social media is widely used	<ul style="list-style-type: none">• May not ultimately make a substantial difference

Education- cont.

	Advantages	Disadvantages
Broad media campaign		
Targeted campaign at DVS locations when acquiring or renewing license		
Law enforcement could provide information during a traffic stop		

Methods Rankings

Method	Rankings
• Expansion and process improvement for renewal	4.2
• Social media education	4.0
• Retention of license plates with a vehicle following a change of vehicle ownership	3.7
• Late renewal fees	3.7
• Registration required for benefits	3.4
• Shift to civil penalties rather than criminal penalties	3.2
• Revenue recapture	2.6
• People can report a vehicle driving with expired tabs	2.5
• Supplemental revenue capture with road use charging or mileage-based user fees	2.2
• Alignment with individual income taxes	1.9

*Rankings based on average score from 1-5 where 1 is “not at all supportive” and 5 is “very supportive”.
14 out of 21 working group members completed a survey or interview (67% response rate)



Evaluation of Methods Based on Criteria

Consensus using fist to five approach

The Fist to Five Voting Method

On the count of 1-2-3, everyone simultaneously raises a fist with 0, 1, 2, 3, 4 or 5 fingers extended to express how you feel about the decision.



No way. I don't support this decision and I am vetoing.

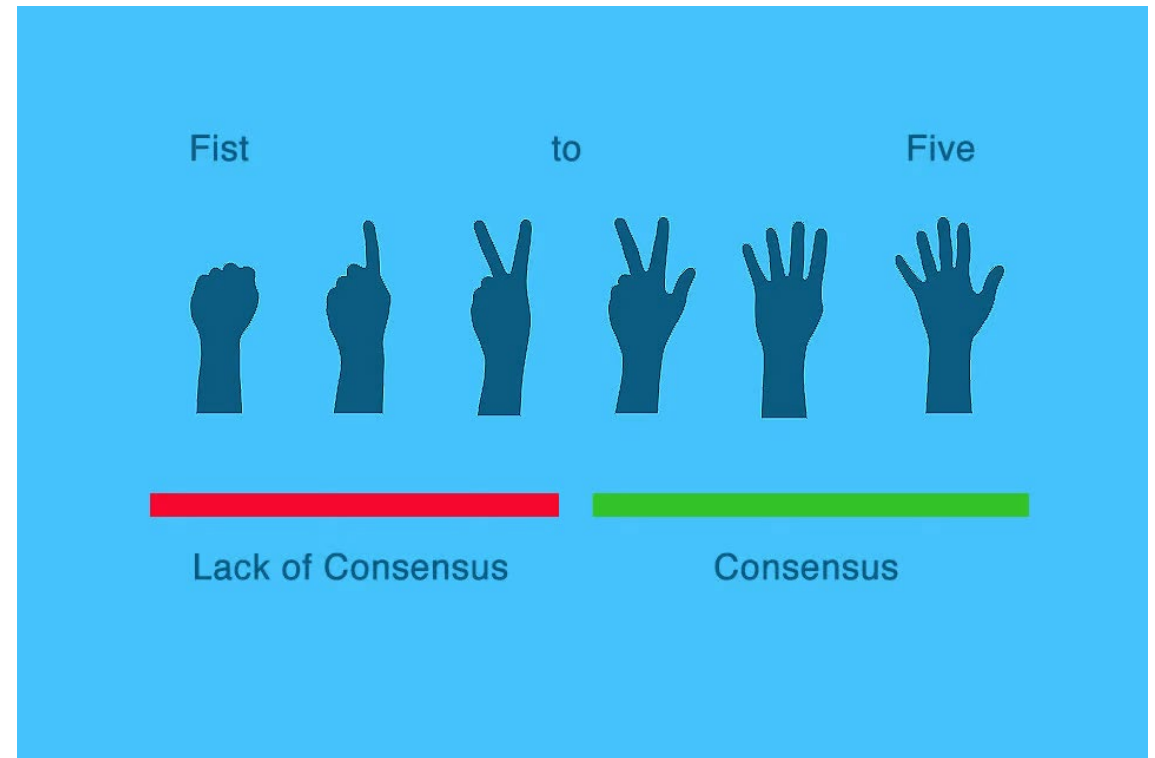
I have strong reservations but will support the decision and will not veto.

I am uncomfortable with the decision but can live with it.

This decision is okay with me.

I support this decision.

I strongly support this decision.



Compliance Methods

Method	Effective	Administrative efficiency	Equity	Burden on vehicle owners	Elimination of enforcement through traffic stops	Yes/No
People can report a vehicle driving with expired tabs						
Automatic License Plate Readers						
EVR or other RFID systems						
Compare vehicle insurance database to registered vehicles						
Examine newly issued drivers licenses for people who have moved to Minnesota from out-of-state						
Search large parking lots for vehicles registered in other states						

Collection Methods

Method	Effective	Administrative efficiency	Equity	Burden on vehicle owners	Elimination of enforcement through traffic stops	Yes/No
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Revenue recapture						
EVR or other RFID systems						
Supplemental revenue capture with road use charging or mileage-based user fees						

Penalties

Method	Effective	Administrative efficiency	Equity	Burden on vehicle owners	Elimination of enforcement through traffic stops	Yes/No
Shift to civil penalties rather than criminal penalties						
Late renewal fees						
Current registration required for benefits						
Establish a time limit to the penalty						

Process Improvement

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Retention of license plates with a vehicle following a change of ownership						
Send renewal notices by mail with follow-up notices						
Allow online renewal and in-person tab pickup						
Eliminate the convenience fee for renewing online with a credit/debit card						
Allow auto-renewal with a credit/debit card						
Resources for people who can't afford to renew tabs						

Education

Method	Effective	Administrative efficiency	Equity	Burden on vehicle owners	Elimination of enforcement through traffic stops	Yes/No
Social media education						
Broad media campaign						
Targeted campaign at DVS locations when acquiring or renewing license						
Law enforcement provides information during traffic stop						