Office of the Revisor of Statutes

Administrative Rules

TITLE: Adopted Permanent Rules Relating to Credit or Debit Card Payments for Motor Vehicle Transactions

AGENCY: Department of Public Safety

MINNESOTA RULES: Chapters 7404 and 7406

RULE APPROVED
OFFICE OF ADMINISTRATIVE HEARINGS

June 3, 2011
DATE

ADMINSTRATIVE LAW JUDGE.

The attached rules are approved for filing with the Secretary of State

Ron Ray
Assistant Deputy Revisor

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ADMINISTRATIVE HEARINGS

Department of Public Safety

Adopted Permanent Rules Relating to Credit or Debit Card Payments for Motor Vehicle ~~and Driver's License~~ Transactions

7404.0100 DEFINITIONS. [Withdrawn 35 SR 1786]

7404.0400 AGENT OFFICE REQUIREMENTS. [Withdrawn 35 SR 1786]

7404.0450 REPORTING AND DEPOSITING PRACTICES. [Withdrawn 35 SR 1786]

7404.0500 GENERAL OPERATING PRACTICES. [Withdrawn 35 SR 1786]

7406.0100 DEFINITIONS.

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

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

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

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

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

B. a nonbanking day of approved state depositories;

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

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

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

7406.0400 DEPUTY REGISTRAR OFFICE REQUIREMENTS.

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

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

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

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 ~~approved~~ 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:

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

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

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

(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.

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

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.

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

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.

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

7406.0500 GENERAL OPERATING RULES FOR DEPUTY REGISTRARS.

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

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

A. A deputy registrar shall accept credit cards and debit cards as a method of payment for motor vehicle transactions, unless a variance is granted under subpart 7b. The commissioner shall specify the types of credit and debit cards that the agent can accept for payment.

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

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

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

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

(4) the commissioner approves the information system.

C. The commissioner shall:

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

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

D. The ~~agent~~ deputy registrar shall provide the technological infrastructure as specified in part ~~7404.0400, subpart 4, item I~~ 7406.0400, subpart 3a.

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

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

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

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

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

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

Subp. 7b. **Credit card acceptance; variance procedure.** A deputy registrar may apply to the commissioner for a variance from the provision in subpart 7a requiring acceptance of credit cards and debit cards. A variance to subpart 7a does not include a variance to the technology requirements in part 7406.0400, subpart 3a. ~~A deputy registrar shall submit a written request to the commissioner for a variance to subpart 7a.~~ Application for a variance may be made by submitting a written request to the commissioner according to this subpart. The commissioner shall consider the following factors when reviewing the request for a variance:

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

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

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

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

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

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