

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

ADOPTED RULES

MINNESOTA DEPARTMENT OF PUBLIC SAFETY
MOTOR VEHICLE DIVISION

Chapter Four: Personalized Plates: Applications, Issuance, Transfer and Refunds.

MoVeh 50 PURPOSE

The purpose of these rules is to implement and provide effective administration for the issuance and transfer of personalized plates as provided by Laws 1975, Chapter 245.

MoVeh 51 SCOPE

The scope of these regulations is intended to be consistent with the provisions of Laws 1975, Chapter 245 (Minnesota Statutes, 1975 Supplement, Section 168.12, Subdivision 2a).

MoVeh 52 DEFINITIONS

For the purpose of these rules the following terms shall have the meanings ascribed to them:

A. Division: The Division of Motor Vehicles of the Department of Public Safety of the State of Minnesota.

B. Plate Year: The first registration year of a multi-year-issue plate.

C. Registrar: The registrar of motor vehicles of the State of Minnesota.

D. Reserved: The owner right to prior claim of a personalized plate.

MoVeh 53 PLATES, FORMAT AND CONTENT

A. The characters displayed upon a personalized plate may be only:

1. The following upper-case letters: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, and Z.

2. The following numbers: 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9.

B. The plates shall be manufactured with the paint color, character size, character type style, reflective material and other specifications used by the Division for vehicles registered pursuant to M.S. 168.017 for the appropriate plate year.

C. All plates shall have at least one character.

D. No characters other than those specified in MoVeh 53A.1. and 2. will be permitted.

E. No plate shall be a duplicate of any current personalized plate or a duplicate of any plate in a numbering system used by the Division. The specific numbering systems prohibited on personalized plates shall be indicated on applications for personalized plates.

F. No plate used by the Division for other types of vehicles will be recalled from storage and destroyed in order that the combination may be issued as a personalized plate.

G. An applicant may elect to group characters by spacing and/or hyphenation. A space or hyphen is not a character. The maximum number of characters is six. Combinations of characters, spaces and/or hyphens totaling more than seven will be rejected. No more than one space or hyphen is permitted between adjoining characters. If the total of characters, spaces and/or hyphens is less than seven, the Division shall have the right to center the characters, spaces and/or hyphens on the plate.

MoVeh 54 APPLICATION, CONTENTS AND REVIEW

A. An applicant may submit up to three character combinations to be designated as a personalized plate. The Division will determine if the first combination of characters has not been issued and is not of an obscene, indecent or immoral nature or such as would offend public morals or decency. If the applicant's first choice cannot be issued, the Division will review, in the same manner, the other choices listed. If no plate can be issued, the application will be cancelled and all appropriate fees will be refunded to the applicant.

B. If the application is for a vehicle owned by more than one person, all owners must sign.

C. Only those combinations of characters approved for manufacture and paid for will be considered reserved.

MoVeh 55 REPLACEMENT PLATES

A. In the event of the loss or theft of the personalized plate issued, the registrar, upon receiving a written statement from the owner, setting forth the circumstances, may issue a new set of personalized

plates with a different combination of characters. The new combination of characters shall be reviewed pursuant to MoVeh 53 and 54. The fee required by M.S. 168.29 shall be paid. If no new combination of characters suitable to the applicant can be issued, a refund as calculated in MoVeh 57A. shall be made. If a new combination of characters is issued, the applicant shall indicate to the registrar which combination of characters (original or replacement) shall be reserved.

B. In the event of defacement of the personalized plates, the registrar, upon receiving a written statement of the owner setting forth the circumstances, may reissue the same combination of characters to the owner. The fee required by M.S. 168.29 shall be paid. To be reissued the same combination of characters, both of the personalized plates must be surrendered.

MoVeh 56 FEES

The fee for personalized plates, as provided by Chapter 245, shall be prorated at ten dollars per registration year or fraction thereof, of remaining plate life.

MoVeh 57 REFUNDS

A. Refunds prorated at ten dollars for each full unused registration year may be made in the following cases:
   1. Under the condition stated in MoVeh 55A.
   2. If the owner of the personalized plates surrenders both personalized plates and applies for a refund.

B. When a refund is made, the combination of characters is no longer reserved.

C. No refund shall be made solely for non-use for a registration year of the vehicle assigned personalized plates.

MoVeh 58 ASSIGNMENT OF PLATES

A. Personalized plates are assigned by the Division to an owner for the exclusive use on the passenger vehicle described in the application

B. The personalized plates may be transfered to another vehicle owned

by the applicant upon written notification of the registrar and:

1. payment of the prescribed fee as provided by Chapter 245;
2. registration of the vehicle in Minnesota; and
3. surrender (if any) of the existing Minnesota registration plates assigned to the vehicle.

C. If an owner sells a vehicle to which personalized plates have been assigned and elects to transfer the personalized plates with the vehicle, the owner shall automatically assign to the new owner the right to reserve that combination of characters and the right to any refund of the personalized plate fees.

MoVeh 59 INITIAL ISSUE

A. No application received before November 15, 1976, will be accepted.

B. Applications received on or after November 15, 1976, shall be reviewed and approved for manufacture pursuant to MoVeh 53 and 54. Combinations approved for manufacture will be issued a plate with a 1978 expiration. In the event the expiration month of the applicant's vehicle does not permit the immediate issuance of the personalized plate, the application shall be held by the Division until the applicant's 1978 vehicle registration can be renewed. All applications held by the Division shall be reserved.

C. No personalized plate shall be manufactured using the 1974 license plate specifications.

MoVeh 60 RESERVATION DATE

For the next plate year, the owner of a vehicle assigned personalized plates shall notify the registrar, in writing, that he is reserving the combination of characters assigned to him. The notification shall be received by the registrar no earlier than 60 days before nor later than the fifteenth day of the month preceding the month in which the renewal notice for the vehicle is mailed.

MoVeh 61 DAILY SEQUENCING OF APPLICATIONS

Each application for personalized plates will be date stamped by the receiving office. In the central office, applications bearing the same stamped date will be selected at random and numbered in ascending order.

Applications with the same date will then be reviewed and character combinations approved for manufacture pursuant to MoVeh 53 and 54 in ascending numerical sequence.

MoVeh 62 through 69: Reserved for future use.

APPROVED AS TO FORM AND LEGALITY
DEC 27 1976 19____
WARREN SPANNAUS, ATTORNEY GENERAL
BY /s/ Michael B. Miller
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 27 1976 - 4:00 pm
Joan Anderson Growe
Secretary of State

PROPOSED RULES

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

MOTOR VEHICLE DIVISION

Chapter Four: Personalized Plates: Applications, Issuance, Transfer and Refunds.

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A. The characters displayed upon a personalized plate may be only:

1. The following upper-case letters: A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, and Z.

2. The following numbers: 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9.

3. A hyphen.

B. The plates shall be manufactured with the paint color, character size, character type style, reflective material and other specifications used by the Division for vehicles registered pursuant to M.S. 168.017 for the appropriate plate year.

C. All plates shall have at least one character.

D. No characters other than those specified in MoVeh 53A.1. and 2. will be permitted.

E. No plate shall be a duplicate of any current personalized plate or a duplicate of any plate in a numbering system used by the Division.

F. No plate used by the Division for other types of vehicles will be recalled from storage and destroyed in order that the combination may be issued as a personalized plate.

G. An applicant may elect to group characters by spacing. A space is not a character. The maximum number of characters is six. Combinations of characters and spaces totaling more than seven will be rejected. No more than one space is permitted between adjoining characters. If the total of characters and spaces is less than seven, the Division shall have the right to center the characters and spaces on the plate.

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A. An applicant may submit up to three character combinations to be designated as a personalized plate. The Division will determine if the first combination of characters has not been issued and is not of an obscene, indecent or immoral nature or such as would offend public morals or decency. If the applicant's first choice cannot be issued, the Division will review, in the same manner, the other choices listed. If no plate can be issued, the application will be cancelled and all appropriate fees will be refunded to the applicant.

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of characters suitable to the applicant can be issued, a refund as calculated in MoVeh 57A. shall be made. If a new combination of characters is issued, the applicant shall indicate to the registrar which combination of characters (original or replacement) shall be reserved.

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A. Personalized plates are assigned by the Division to an owner for the exclusive use on the passenger vehicle described in the application.

B. The personalized plates may be transfered to another vehicle owned by the applicant upon written notification of the registrar and:
   1. payment of the prescribed fee as provided by Chapter 245;
   2. registration of the vehicle in Minnesota; and
   3. surrender (if any) of the existing Minnesota registration plates

assigned to the vehicle.

C. If an owner sells a vehicle to which personalized plates have been assigned and elects to transfer the personalized plates with the vehicle, the owner shall automatically assign to the new owner the right to reserve that combination of characters and the right to any refund of the personalized plate fees.

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MoVeh 62 through 69: Reserved for future use.

W.S.
9-8-76

EXHIBIT A

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE EDWARD G. NOVAK

COMMISSIONER OF PUBLIC SAFETY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Governing the Manufacture and Distribution of Personalized License Plates for Motor Vehicles.

ORDER FOR HEARING

To effectively implement Laws 1975, Chapter 245, the Minnesota Commissioner of Public Safety deems it necessary to consider adoption of the proposed rules captioned above pursuant to the authority vested in me by M.S. 1974, Section 299A.01, Subdivision 6.

NOW, THEREFORE, IT IS ORDERED THIS 19th day of July, 1976, that a public hearing on the proposed rules captioned above be held in the State Highway Building, Room B9, St. Paul, Minnesota, on September 8, 1976, commencing at 9:00 a.m., and continuing until all representatives of associations or other interested groups or persons have had an opportunity to be heard.

IT IS FURTHER ORDERED, that notice of said hearing be given to all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for that purpose.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

Edward G. Novak

COMMISSIONER OF PUBLIC SAFETY

EXHIBIT B

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE EDWARD G. NOVAK

COMMISSIONER OF PUBLIC SAFETY

In the Matter of Proposed Rules of the State Department of Public Safety Relating to the Manufacture and Distribution of Personalized License Plates for Motor Vehicles

STATEMENT OF NEED

In enacting Minnesota Laws 1975, Chapter 245, the Legislature established a program to provide the passenger motor vehicle owners of the State of Minnesota the option of displaying license plates which have a personally determined combination of letters and numbers on them upon payment of a $50 fee in addition to the usual registration taxes. This program allows Minnesotans to decide what name, word or other combination of letters or numbers shall be printed on their plates, a program available in most states throughout the country. The program also provides extra state revenue, on a voluntary basis.

The proposed rules are based upon Chapter 245. They are designed to specify the procedures that will govern the production and distribution of personalized license plates, requirements that applicants must meet to qualify for personalized license plates, the criteria for personalized license plates and the controls to be placed upon the distribution of personalized license plates. These provisions will satisfy the requirements of Chapter 245.

The justification establishing the need for and reasonableness of the specific substantive provisions of the rules is as follows:

MoVeh 50 and 51. These sections provide the background information concerning the reason for promulgation of MoVeh 50-69 in order to provide a general idea of the purpose, intent and scope of the rules.

MoVeh 52. The definitions section is intended to aid in understanding the rules by providing specific meanings to either technical words or to words which could have more than one meaning.

MoVeh 53. The Division of Motor Vehicles maintains a large data processing system both for information and record-keeping purposes. One of the two access keys is by plate number. The characters which can be displayed are restricted primarily for identification purposes.

All major categories of license plate numbers and their associated information (owner, vehicle description, tax, etc.) are currently available on a seven-day-per-week, 24-hour-per-day basis to agencies through either the Division of Motor Vehicles, the Minnesota Crime Information System (MINCIS), the National Law Enforcement Teletype System, or the National Crime Information Center (NCIC). The record information is provided to virtually all law enforcement agencies in the nation through one or more of these systems. Since 1968 the state

has expended in excess of $15 million to implement, operate and maintain these systems.

The needs of most law enforcement agencies require fast and accurate identification of vehicles and owners, using, in most instances, only a license plate number. In order to provide accurate data, the plate numbers issued must be unique. In addition to law enforcement agencies, the record information is available to agencies such as banks and lending institutions, automotive dealerships and the registration agencies of other states in order to verify the current status and accuracy of the record information. Other record inquiries are made generally on the basis of plate numbers.

Therefore, the division intends to put personalized plates in its computer processing system and make these plates available for inquiry through the systems mentioned above. To accomplish this, the division must insure that each plate issued is unique and can be easily recognized. The restrictions proposed in this rule are designed to accomplish this purpose.

MoVeh 53A. Upper-Case Letters: On a face-value plate, upper-case and lower-case letters have the same value. In addition, virtually all telecommunication devices used for inquiries have only upper-case letters. Only upper-case letters have been used on Minnesota plates in the past. To inject lower-case characters into the system would cause recognition problems. These letters are required since they are the only ones which are recognizable by the majority of people in this country.

Numbers: These numbers are required since they are the only ones recognizable by the majority of people in this country. Other number systems such as Roman numerals are not easily identified as numbers rather than letters, and must be prohibited.

Hyphen: A hyphen will be allowed in order to add flexibility to the combinations. It is the one non-number/non-letter character already in use on plates.

MoVeh 53B. Various methods are used to make a plate unique or different from other groups of plates, depending upon the purpose. One method may be by paint color or a different color of reflective material. In general, for a new plate issue the division changes the paint color, or uses different colors of reflective material in conjunction with a change of paint color. In 1976, the paint color on truck plates was changed from red-orange to dark blue. Also in 1976, the division issued plates with a yellow reflective material for urban trucks, to indicate the restricted operational zone.

Since personalized plates will be issued only for passenger vehicles, the division proposes that the specifications for the plates be identical in all respects to those of all other passenger cars registered in Minnesota. The uniqueness of the plate will stem from the characters displayed on it.

"Other specifications" referred to in the rules are location of bolt holes, steel gauge, plate dimension, steel coating materials, etc..

MoVeh 53C. At least one character is needed on a plate to make it unique and to provide an identifier for recording purposes.

MoVeh 53D. This rule is proposed as a corollary to MoVeh 53A to insure a unique non-duplicated plate.

MoVeh 53E. The division currently licenses twenty classes of vehicles. Each class and its associated distinctive number system is based on a statutory distinction as to the tax rate, type of use, type of vehicle, or area of use.

The division, in designing its manual and computer processing and plate numbering system, has capitalized on this fact and has incorporated these ideas into its everyday operations. For example, the division has specified that any plate beginning with "U" is a Minnesota urban class truck. This plate prefix automatically indicates that the vehicle is registered on an empty-weight basis for 1976 and has a limited operating zone.

Because these types of class, zone, tax and use indicators are consistant throughout the division's operational system, and because discarding these operational aids would cause errors and confusion on the part of division personnel, law enforcement agencies and the public, the division proposes that it be allowed to retain these aids by prohibiting them from the personalized formats.

MoVeh 53F. As a corollary to MoVeh 53E, the division proposes that individual numbers in other systems used by the division not be removed from the system. In other words, if this rule were not adopted, an applicant could select a combination printed on, for example, a truck plate. This would require a search for that particular truck plate, and its subsequent destruction, so that the passenger plate could be issued. The uniform plate numbering system explained in MoVeh 53E would be interrupted and would lose its meaning if this were allowed.

MoVeh 53G. The division, in an attempt to provide more flexibility in the plate formats, will allow the maximum of six characters provided by law to be augmented by one space. This will allow the applicant to group characters and indicate words. A character is not a space and a space is not a character. The number of characters (letters and numbers) may have spaces added until the total equals seven, seven being the maximum number of positions available on a Minnesota license plate. Character and space totals in excess of seven, therefore, must be rejected.

The personalized plates are intended to be accepted at face value. That is, a plate with an A in the first position and a Z in the second position with no other characters has the same recognition value as a plate with A in the second position and Z in the fourth position. When only one space between characters is permitted, and the combination is centered, no duplication will occur.

MoVeh 54A. Three is a reasonable number of alternate choices and is a suitable number to fit onto an application form without making the form too large. MoVeh 53E prohibits duplicates, so division personnel must determine that each request is original and then, according to Chapter 245, reject any improper combinations. If all requested combinations are duplicates and/or improper, no plates can be issued so the fees are refunded.

MoVeh 54B. An attorney general's opinion (1188) made on August 8, 1946, states that all owners' signatures are required to permit transfer of registration of a vehicle. Based on this opinion, applications for duplicate titles, tax refunds and other transactions must also have the signatures of all owners in order for the division to complete the transaction. Because personalized plates are a highly individualized matter, we propose that all owners approve the plate slogan choice by signing the application. This way, we expect to prevent owner discord which could result if only one owner were to determine the slogan.

MoVeh 54C. This rule eliminates the possibility of persons reserving certain combinations merely to prevent others from having them, without the intention of actually paying for them and placing them on a vehicle. This is an

extension of the "first come, first served" tradition.

MoVeh 55A. The written statement of loss or theft is required by N.S. 168.29. A different combination of characters must be issued to avoid possible duplication, since lost or stolen plates might be used on another vehicle without the plate owner's permission. The lost or stolen plates will be reported to law enforcement agencies; identical duplicates could, therefore, place the legitimate plate owner in a difficult situation if stopped by a law enforcement officer.

M.S. 168.29 requires a fee for issuing duplicate plates if the originals are defaced, lost, destroyed or stolen.

If the applicant's choices of replacement combinations are rejected according to MoVeh 54A, a prorated refund will be made since the applicant will not be given personalized plates. If a satisfactory replacement combination is selected, the vehicle owner will be given a choice of only one of the combinations (original or replacement) to reserve for the next plate issue year, since only one set can be issued at a time.

MoVeh 55B. If personalized plates are defaced, the owner may turn in both plates and receive identical duplicates, since the division will know that the combination will not be illegally used on another vehicle. Duplicate plate fees will have to be paid, according to M.S. 168.29. If only one defaced plate is surrendered, it would be possible that the missing plate would be used on another vehicle; therefore, identical replacement plates could not be issued, according to MoVeh 55A.

MoVeh 56. Because the personalized plate fee is, in essence, $10 a year (payable in five-year sums), it is reasonable to charge on a basis of $10 a year when the application is made within the five-year plate issue. In other words, the owner of a new vehicle purchased in 1979 would pay $30, to cover the years (1979, 1980, and 1981) remaining in the plate-issue time span. The same procedure would apply to new residents.

The division believes it was not the intent of the legislature to restrict the purchase of personalized plates to only the first year of issue of a multi-year plate. Also, the division believes it was not the intent of the legislature to require the payment of the full $50 fee in any of the years of plate life, but that it was intended to be a $10-per-year fee for the plate, which could be issued anytime.

MoVeh 57A. A prorated refund is proposed, since the owner will not have the use of personalized plates after they have been stolen or lost, or after the owner has turned them in. This also provides for a change of mind, so that an applicant who tires of a personalized plate slogan, or who becomes embarrassed by it for some reason, or who seeks to be rid of it for any other reason, is not forced to use the plates against his or her will.

MoVeh 57B. A refund is considered a waiver of reservation, since the applicant has voluntarily selected not to retain the personalized plates. In the case of stolen or lost plates where a refund is issued, since that combination cannot be issued again during that plate issue, the original owner will have the opportunity to apply for the original combination at the time of renewal for the next plate issue.

MoVeh 57C. If an owner elects to retain personalized plates although s/he does not use the vehicle for a year, s/he should be expected to pay for the privilege of retaining the plates, since the plate combination cannot be issued to anyone else. The owner always has the option of surrendering the plates and receiving a refund if s/he does not intend to use the vehicle.

MoVeh 58A. Minnesota law (M.S. 168.12) provides that plates are issued to specific vehicles and must stay with that vehicle. M.S. 168.36 provides misdemeanor penalties for using plates on any other vehicle.

MoVeh 58B. This section allows the owner to transfer his or her personalized plates to another vehicle if s/he purchases a different vehicle during the five-year plate issue, as provided in Chapter 245. The fee is prescribed in Chapter 245. The vehicle must be registered in Minnesota since the plate is exclusive to Minnesota and serves as a "receipt" for taxes paid to Minnesota. Any existing plates on the replacement vehicle must be surrendered so that they cannot be used on another vehicle without the proper taxes having been paid. Written notification of the transfer is necessary to update the vehicle's record.

MoVeh 58C. If the owner chooses to allow the personalized plates to remain on a vehicle s/he sells, s/he obviously does not care to retain them and therefore should relinquish any further claim to the plates. It would be a seller-buyer decision concerning any credit payment for the remainder of the plate life, identical to present practice for plate transfer upon sale of a vehicle.

MoVeh 59A. November 15, 1976, is the effective date of Chapter 245; therefore, any applications received prior to that date would have no legal basis on which the division could collect fees.

MoVeh 59B. Because 1977 is the first year of a new plate issue, and because passenger vehicle license plates are issued sequentially on a monthly basis from March through November, it becomes necessary to restrict personalized license plates to the upcoming plate issue. If an applicant ordered personalized plates in November 1976 for immediate issue, the division would have to produce plates which would be valid only for a few months, i.e., until the month in 1977 when the plates expire, at which time the new issue of plates would be assigned; this could cost the state a considerable amount of money in salaries, plate materials and handling costs. This rule is proposed only for the initial issue, to facilitate the implementation of the new program.

Reservation of the combination until the renewal time of the vehicle allows all owners to apply at the same time, equalizing the "competition" for specific slogans.

MoVeh 59C. If the 1974 plate specifications were allowed, the division would be issuing two distinctively different license plates (1974's red-orange and 1978's blue graphic plates) for use at the same time. Law enforcement agencies prefer one distinctive plate for each state so that instant recognition is possible. This rule is a corollary to MoVeh 59B and is made primarily to make explicit the division's intentions expressed in MoVeh 59B.

MoVeh 60. Chapter 245 provides that the owner must apply for his/her reserved plates "at least 30 days prior to the first date on which his/her registration can be renewed." The division wishes to further restrict this

limit to no more than 60 days before that time, so that the division is not handling reservations years before the next plate issue. The additional record-keeping which could result would necessitate additional employees and higher costs of operation. Renewal notices are mailed near the middle of the month preceding the expiration month of a vehicle; with the 30-day limit, this would equal the fifteenth day of the month previous to the mailing month. The fifteenth day was selected as a common denominator, since renewal notices are mailed on different days, depending on the Postal Service's workload, weekends, holidays, etc..

MoVeh 61. Because applications will be accepted at all 145 deputy registrar offices as well as at the central office, for the public's convenience, the same combination of characters may be requested by more than one applicant on the same day, and even, possibly, at the same time. To determine which application should be considered first, we propose a random sequential numbering system similar to the traditional "drawing in case of ties," in fairness to the applicants.

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC SAFETY

Dated: 7-20-76

Edward G Novak

EDWARD G. NOVAK, COMMISSIONER
DEPARTMENT OF PUBLIC SAFETY

WS
9-8-76

EXHIBIT C

STATE OF MINNESOTA BEFORE EDWARD G. NOVAK

COUNTY OF RAMSEY COMMISSIONER OF PUBLIC SAFETY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Relating to the Manufacture and Distribution of Personalized License Plates for Motor Vehicles.

NOTICE OF HEARING

Notice is hereby given that a public hearing pursuant to M.S. 1975 Supplement, Section 15.0412, Subd. 4, in the above-entitled manner will be held in the State Highway Building, Room B9, John Ireland Blvd. St. Paul, Minnesota, on September 8, 1976, commencing at 9:00 A.M., and continuing until all persons have had an opportunity to be heard concerning adoption of the proposed rules captioned above.

All interested or affected persons or representatives of such groups or organizations will have an opportunity to be heard, by submitting either oral or written data, statements, or arguments. Statements or briefs may be submitted by mail to the Commissioner of Public Safety, 211 Highway Building, St. Paul, MN 55155, either before the hearing or within 20 days after the close of the hearing.

The Commissioner proposes to adopt rules relating to the following matters:

In 1975, the Legislature established a program to provide motor vehicle operators the option of displaying license plates which have a personally determined combination of letters and numbers on them upon payment of a $50 fee in addition to the usual registration taxes. The proposed rules specify the requirements and procedures that will govern the format and content of plates, the review of applications, the proration of fees, refunds, and the production and distribution of personalized license plates.

The department's authority to promulgate the proposed rules is contained in Laws 1975, Chapter 245 (M.S. 1975 Supplement, Section 168.12, Subd. 2a). Copies of the proposed rules are available and may be obtained by writing to Diane Hamilton, Department of Public Safety, 210 Highway Bldg., St. Paul, Minnesota 55155. Additional copies will be available at the door on the date of the hearing.

Pursuant to M.S. 1974, Section 10A.01, Subd. 11, any individual engaged for pay or other consideration for the purpose of representing persons or associations attempting to influence administrative action, such as the promulgation of these rules, must register with the State Ethics Commission as a lobbyist within five days of the commencement of such activity.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

Edward J. Novak
COMMISSIONER OF PUBLIC SAFETY

1-20-76
DATE

ONS

9-8-76

EXHIBIT D

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Governing the Manufacture and Distribution of Personalized License Plates for Motor Vehicles.

CERTIFICATE

I hereby certify that the enclosed 494 general labels and Public Safety list constitute the complete list of persons, associations, and other interested groups who as of 10:45 o'clock A .M., this 5th day of August, 1976, have requested pursuant to M.S. 19__, Section 15.0412, Subdivision 4, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

SECRETARY OF STATE

JOAN ANDERSON GROWE

Joan Anderson Growe

By Ceil Dion

WS
9-8-76

EXHIBIT E

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety governing the Manufacture and Distribution of Personalized License Plates for Motor Vehicles.

AFFIDAVIT OF RECEIPT OF SECRETARY OF STATE'S LIST

Diane Hamilton, being duly sworn on oath deposes and says:

1) That she is an employee of the Department of Public Safety of the State of Minnesota.

2) That on the 5th day of August, 1976, she went to the Secretary of State's office of the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to M.S. 15.0412.

3) That on the 5th day of August, 1976, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Diane Hamilton

Subscribed and sworn to before me

this 5th day of August 1976.

Cheryl E. Waller

CHERYL E. WALLER
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My Comm. Expires Jan. 21, 1980

W. 8

9-8-76

EXHIBIT F

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Governing the Manufacture and Distribution of Personalized License Plates for Motor Vehicles.

AFFIDAVIT OF MAILING

Diane Hamilton, being first duly sworn, deposes and says:

That on the 6th day of August, 1976, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State.

Diane Hamilton

Subscribed and sworn to before me

this 6th day of August, 1976.

Cheryl E. Waller

CHERYL E. WALLER
NOTARY PUBLIC - MINNESOTA
HENNEPIN COUNTY
My Comm. Expires Jan. 21, 1980

RECEIVED
SEP 28 1976
OFFICE OF HEARING
EXAMINERS

Dear Sirs,

the proposal on personalized license plates seems to be a useful proposal However to bar pick-up license plates from the proposal seems wrong. ~~We~~ We'd like the plate personized DeKalB on our pick-up as we use it for business purposes not on our family car-

please consider this proposal to include ~~just~~ pick-ups please

Mr & Mrs Walter Mumm
Hancock Mn 56244

Mr. & Mrs. Walter Mumm
Hancock
Minnesota 56244

IN THE STATE OF MINNESOTA

BEFORE THE HEARING EXAMINER

RECEIVED
SEP 27 1976
OFFICE OF HEARING EXAMINERS

In the Matter Of:

Proposed Rules for Applications, Issuance, Transfer, and Refunds of Fees for Personalized License Plates, Pursuant to Laws 1975, Chapter 245 and Minn. Stat. 1975 Supplement, Sec. 168.12, Subd. 2a .

OBJECTION TO PROPOSED MoVeh 59B, INITIAL ISSUE

TO THE HONORABLE HEARING EXAMINER:

A more intensive re-examination of MoVeh 59B ("Initial Issue") has disclosed that the proposed regulation would violate the statute (Chapter 245, Laws 1975).

1. THE INTENT OF PROVISIONS OF THE STATUTE:

The original personalized license plate law, H.F. 982, passed by the Minnesota Legislature as Laws 1975, Chapter 245, reads in part as follows:

> "...Any applicant may apply for personalized license plates. Upon compliance with all laws of this state...and upon payment of a fee of $50...the registrar shall issue to the applicant personalized license plates... This act is effective November 15, 1976 for the year 1977 and subsequent years." (Emphasis added.)

2. THE EFFECT OF PROPOSED MoVeh 59B:

According to the text of MoVeh 59B, applications received on and after Nov. 15, 1976 will be treated as follows:

> "...Combinations approved for manufacture will be issued a plate with a 1978 expiration. In the event the expiration month of the applicant's vehicle does not permit the immediate issuance of the personalized plate, the application shall be held by the Division until the applicant's 1978 vehicle registration can be renewed. (Emphasis added.)

....more....

3. EFFECT OF MoVeh 59B ON PERSONS APPLYING BETWEEN NOV. 15-30, 1976:

The proposed MoVeh 59B would impose upon November 1976 applicants a delay not contemplated, and not permitted, by the Statute, Chap. 245. Persons applying for re-registration of the existing vehicles during the month of November 1976 normally receive a "77" sticker signifying that their vehicle registration for the calendar year 1977 will expire during the month of November 1977.

The Statute, Chap. 245, as shown in Section #1 above, explicitly provides that the Act is effective "for the year 1977...". This clearly indicates the Legislature's intention that all persons applying under the law shall receive the benefit of the law for the year 1977. In the case of persons applying during November 1976, the Legislature obviously intended that they should receive the benefit of the law for the annual registration period consisting of the months of January 1977, February 1977, March 1977, April 1977, May 1977, June 1977, July 1977, August 1977, September 1977, October 1977 and November 1977, as well as the initial month of December 1976. This is the 1977 registration year, for the November 1976 group of applicants.

The Hearing Examiner will further note the explicit language of the statute, Chap. 245, which states categorically that upon compliance with the laws and upon payment of the requisite fee, the registrar shall issue the personalized plates; no exceptions, waiting periods or "delays" are authorized in any manner, to provide benefits of the law "for the year 1977."

4. DENIAL OF EQUAL PROTECTION OF THE LAW:

To withhold issuance of personalized plates from the November 1976 group of applicants denies, to this single group, the protection and benefit of Chapter 245 "for the year 1977." Furthermore, to attempt to interpret Chapter 245 as requiring or empowering the Division (i.e., "the Agency") to withhold issuance of such plates until the month of November 1977 (or,

what is worse, until 5 or 6 weeks later than November 1977, which is when Agency personnel indicated manufacturing might be completed under the usual ordering routines)---at which time at least 11/12ths of the 1977 registration year or longer will have already expired, unduly and unreasonably strains the meaning of the statute. Clearly it was not the intention of the Legislature to make the law effective "for the year 1977" by making its benefits unavailable to 1976 applicants for the months of January, February, March, April, May, June, July, August, September, October and November 1977, and possibly December 1977 too.

5. ISSUANCE OF THE PLATES IS A SIMPLE OPERATION:

Notwithstanding that a further section, MoVeh 59C, provides that no personalized plate shall be made with the 1974 license plate specifications, the procedure for issuing personalized plates in the new style (i.e., blue numerals or letters on a white plate in the "graphic" format) and with a 1977 expiration can be performed by the Motor Vehicle Division in a very simple fashion:

(a). If the new-style plates ordinarily have no year-numerals embossed on the plate, no problem exists. The Division can simply make the personalized plate to order, as provided in the proposed regulations, and affix to it a "77" sticker, which it would otherwise apply routinely to the 1974-style plate for an ordinary 1977 registration.

(b). If the new-style plates as issued to the general public ordinarily have a "78" year-numeral embossed on the plate, it is again a simple procedure to manufacture the personalized plate to order (which must be done anyway) with the "78" numerals omitted from the embossing/stamping operation, and then apply a "77" expiration sticker to the plate as indicated in the foregoing paragraph "a".

....more....

6. REQUESTED ACTION

For the above reasons, the Hearing Examiner is respectfully requested to inform the Motor Vehicle Division ("the Agency") that it should amend MoVeh 59B so as to make it conform to the provisions of the Statute, Chapter 245, thereby affording the full benefits of the law to all November 1976 applicants, for immediate issuance of personalized plates as soon as the plates can thereafter be reasonably and routinely manufactured under the regulations to be implemented.

Specifically , it is suggested that the Hearing Examiner specify or recommend that MoVeh 59B be changed to read substantially as follows:

> "... Combinations approved for manufacture will be issued a plate with a 1977 or 1978 expiration, according to the applicant's normal expiration date at the time the application is filed," or words to that effect. (*)

* * * * * *

Please indicate what action the Office of Hearing Examiners will take on this Objection, and advise the undersigned by letter to the address below.

Respectfully submitted,

John A.S. Webster

John A.S. Webster,
2213 Nicollet Ave.
Minneapolis, Minn., 55404
(871-9191).

(*) P.S. Similarly, in the succeeding sentence of MoVeh 59B, amend "1978" to read "1977 or 1978".

ADM-1 1000 Pad

STATE OF MINNESOTA

Office Memorandum

composite W.S. 9-9-76

DEPARTMENT PUBLIC SAFETY

TO : William Seltzer
Office of Hearing Examiners
1745 University Avenue

DATE: August 24, 1976

FROM : Mary M. Williams, Director
Division of Motor Vehicles
Room 161 Highway Building

PHONE: 2001

RECEIVED
AUG 26 1976
OFFICE OF HEARING EXAMINERS

SUBJECT: Agency-Requested Change to Proposed Rules Relating to the Manufacture and Distribution of Personalized License Plates for Motor Vehicle

In order to prevent the possibility of a plate being printed with only hyphens on it -- a combination which would be difficult for law enforcement offices not only to read but also to orally communicate over a radio -- I request that the proposed rules entitled Chapter Four of the Motor Vehicle Division be amended to read:

Eliminate Item A.3. "A hyphen." from MoVeh 53.

Change Item G. of MoVeh 53 to read: "An applicant may elect to group characters by spacing and/or hyphenation. A space or hyphen is not a character. The maximum number of characters is six. Combinations of characters, spaces and/or hyphens totaling more than seven will be rejected. No more than one space or hyphen is permitted between adjoining characters. If the total of characters, spaces and/or hyphens is less than seven, the Division shall have the right to center the characters, spaces and/or hyphens on the plate.

MMW:bjm

ADMIN 1000

composit H

STATE OF MINNESOTA

DEPARTMENT PUBLIC SAFETY

Office Memorandum

TO : William Seltzer
Office of Hearing Examiners
1745 University Avenue

DATE: September 8, 1976

FROM : Mary M. Williams, Director
Division of Motor Vehicles
Room 161 Highway Building

PHONE: 296-2001

SUBJECT: Agency-Requested Change to Proposed Rules Relating to the Manufacture and Distribution of Personalized License Plates for Motor Vehicle

In order to clarify the procedures involved in the assignment of plates by the Division, I request that the proposed rules entitled Chapter Four of the Motor Vehicle Division be amended to read:

Add a section to MoVeh 58:

MoVeh 58 D. If an owner sells a vehicle to which personalized plates have been assigned and elects to retain the personalized plates, it shall be the responsibility of the owner to obtain regular passenger car plates before the vehicle is sold.

Justification

The division had previously intended to permit the personalized plates assigned to a vehicle to be displayed by attaching them to the vehicle over the regular passenger car plates. However, it appears that M.S. 169.79 makes it a violation to obstruct the view of a valid number plate. This section also implies that only one set of valid plates can be displayed on a vehicle at one time. Further, to have two pairs of valid plates on a vehicle at one time would lead to confusion on the part of the public and law enforcement and open the door to potential abuses.

MMW:bjm

DIVISION OF MOTOR VEHICLES
HIGHWAY BUILDING
612-296-2001

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY
SAINT PAUL 55155

September 15, 1976

RECEIVED
SEP 15 1976
OFFICE OF HEARING EXAMINERS

William Seltzer
Office of Hearing Examiners
Room 300
1745 University Avenue
St. Paul, Minnesota 55104

Dear Mr. Seltzer:

The following are the Division of Motor Vehicles' replies to Gary D. Rippentrop's September 9 letter addressed to you and requesting clarification of particular procedures involved in implementing rules and regulations proposed by this division concerning personalized license plates.

Question No. 1:

The division will use the definition of "passenger motor vehicle" as it is defined in M.S. 168.011, Subd. 7. Therefore, only vehicles which qualify for registration as passenger vehicles under this definition will qualify for personalized plates. This means that certain vans and suburban-type vehicles cannot be assigned personalized plates.

Question No. 2a:

Written notification to the registrar will be accomplished by a new form (DPS 2001). In the instance covered by MoVeh 58 B (a simple transfer of plates to another vehicle owned by the person assigned the personalized plates and not involving the purchase of a new or used vehicle), the owner would also be required to complete an application for replacement plates for the vehicle from which he removed the personalized plates.

Question No. 2b:

The new form DPS 2001 is designed to accomplish this function. The $5 fee for plate transfers will not be specifically stated on the form. It is division policy to develop forms that do not become obsolete when fees or taxes are changed. The fee required by Chapter 245 has been published in the Motor Vehicle Tax Manual and all deputies will be informed of the fee and the procedures at their annual training meetings.

Question No. 2c:

In the instance covered by MoVeh 58 C, the division does not require any special notification. The division would view this transaction as identical to a transfer of a vehicle with regular plates.

Question No. 3:

MoVeh 58 D makes the owner responsible for assuring that regular plates are obtained. This does not mean that only the owner may obtain them; a dealer or any other agent of the owner could accomplish this task.

There would be no fee such as required by M.S. 168.29 charged to replace the regular passenger car plates when an owner removes the personalized plates. However, the state or deputy registrar service fee may apply. A dealer could perform this activity for an owner.

No fee is charged because MoVeh 58 B requires the owner to surrender his existing plates when obtaining personalized plates, and the division considers this simply a replacement for a plate the owner was forced to surrender. In addition, this is current policy for replacing citizens band, ham and handicapped plates.

Question No. 4 (a) (1), (2) and (4):

There are two alternate ways to handle this situation:

Alternative No. 1 requires completion of the following steps:

A. To transfer ownership of the purchased vehicle, the owner or his agent executes the certificate of title if the vehicle is titled, or the registration card and an application for title if the vehicle is not titled.

B. To transfer the personalized plates, the owner or his agent completes DPS 2001. This form collects the information required to transfer the personalized plates to another vehicle and will provide for the issuance of stickers to adjust the month and/or year stickers of the personalized plates to match that of the vehicle purchased. (This step requires the surrender of the existing plates from the purchased vehicle.)

C. To obtain replacement plates, the owner or his agent completes the application for duplicate plates and stickers.

D. To transfer the ownership of the trade-in, the owner or his agent executes the appropriate documents, depending on whether or not the vehicle is titled.

All these steps could be accomplished by the dealer acting for the customer. If this were done, the dealer could issue a 10-day permit, complete the transaction at a deputy registrar office or the central office, and have the customer pick up the personalized plates within the 10-day period.

Alternative No. 2 requires the completion of the following steps:

The owner or his agent completes Steps A, C, and D as described above, and the customer completes Step B at a later date.

The division recommends Alternative No. 1.

Question No. 4 (a) (3):

The actual mechanics of how the computer record will be updated is not material. However, the division, through steps described above, will have the information required to put the personalized plate number and its adjusted expiration date (if any), as well as the regular plate number, into the computer record of the purchased vehicle. The division will have sufficient information to modify the record of the traded vehicle to reflect the removal of the personalized plates and the addition of a replacement plate. In all computer records of vehicles assigned personalized plates, the division intends to keep a regular plate number and the personalized plate number. The record will be available to law enforcement agencies through either plate number.

Question No. 5 (a), (b) and (c):

Since the question is similar to No. 4, the answer is also similar. This case also has two alternative solutions.

Alternative No. 1 requires the completion of the following steps:

A. To register and title the new vehicle, the owner or his agent completes an application for title (DPS 2000). The deputy registrar or central office clerk will assign, but not issue, regular plates to the vehicle.

B. To transfer the personalized plates to the new vehicle, the owner or his agent completes form DPS 2001. This form will accomplish the issuance of stickers to adjust the month and/or year stickers of the personalized plate to match that of the purchased vehicle.

C. To obtain replacement plates for the vehicle traded in, the owner or his agent completes an application for replacement plates. This form will accomplish the issuance of plates and month and year stickers to be placed on the vehicle traded in.

D. To transfer ownership of the trade-in, the owner or his agent completes the necessary documents depending on whether the vehicle is titled or not titled.

A dealer acting for a customer could issue a 10-day permit and complete all paperwork necessary and then have the customer pick up the personalized plates.

Alternative No. 2: The owner or his agent completes A, C and D, except that in Step A, the regular passenger plates are actually issued to be attached to the vehicle. At a later date, the customer completes Step B.

The division recommends Alternative No. 1.

Question No. 5 (d):

The division will have to match the expiration month and year stickers to match the month and year stickers of the vehicle (new or used) purchased by the customer.

Question No. 5 (e):

The division does require the purchase of 13, 14, or 15 months of registration if, when purchasing a new vehicle, there are three or less months until the expiration month that has been associated with a particular last name.

Question No. 5 (f):

As stated in the answer to question No. 5 (d), the division will match the month and year stickers of the personalized plates to that of the vehicle purchased. Further, in the answers to question No. 4 and 5 (a), (b) and (c), the methodology for adjusting month and year stickers was spelled out.

Sincerely,

Mary M. Williams, Director
Division of Motor Vehicles

MMW:bjm

CC: Gary D. Rippentrop

RECEIVED
SEP 10 1976
OFFICE OF HEARING EXAMINERS

Minnesota AUTOMOBILE DEALERS ASSOCIATION

GARY D. RIPPENTROP, Exec. Vice Pres. • 235 GRIGGS-MIDWAY BUILDING • ST. PAUL, MINN. 55104 • (612) 646-2678

September 9, 1976

Mr. William Seltzer
Office of Hearing Examiners
Room 300
1745 University Avenue
St. Paul, MN 55104

Dear Mr. Seltzer:

As per your request at the Public Hearing on proposed rules relating to personalized license plates, I recap the following questions which I asked of the Department on September 8, 1976.

1. I see a problem with the definition of passenger automobile. I do not see a definition listed in the proposed regulations, and would suggest that M.S. 168.011 Subd. (7) could be used. However, does this mean that certain vans and suburban type vehicles that accommodate more than eight passengers could not have a personalized plate put on the vehicle?

2. MoVeh 50 indicates that these proposed rules are to provide effective administration for the issuance and transfer of personalized plates. We see a lack of spelled out administrative procedures in these proposed rules as it would affect licensed automobile dealers doing business here in Minnesota. Specifically we question MoVeh 58 "Assignment of Plates."

   a) In MoVeh 58 B., it states that plates may be transferred upon written notification to the Registrar. How is the Registrar going to comply with this statement? Will a new form be designed to accommodate this proposed rule or will the current DPS application forms and transfer forms be expanded to include a section where a person could sign indicating he is transferring his personalized plates?

   b) In MoVeh 58 B. 1., it states that the personalized plates can also be transferred upon payment of the prescribed fee. Will the prescribed fee be listed on the current DPS application forms or will a new form be designed by the Department? Will it be clearly stated that this new fee required by Chapter 245 is in addition to the normal application and/or transfer fees, lien notation fees, etc.?

c) In MoVeh 58 C., it allows the owner to automatically assign to the new owner his personalized plates as well as all rights to the plate. Will the newly designed form or the current Certificate of Title application forms and/or transfer forms include a section where an owner could transfer the plates along with the automobile if he desired not to keep his personalized plates himself?

3. In MoVeh 58 D. which was an amendment adopted at the Hearing, it reads that "it shall be the responsibility of the owner to obtain regular passenger car plates before the vehicle is sold." Does this mean that the owner is the only one who can go to a Deputy Registrar or the Central Office and get replacement plates for his personalized plates? Or can a dealer handle this for a customer if the dealer so chooses?

When a person makes application for regular plates to replace the personalized plates he is taking off a passenger vehicle, is there a fee?

If there is no fee and a dealer could handle the transaction for a customer, can the dealer also receive replacement plates for that unit which had a personalized plate on it on a no fee basis?

4. We have a number of general questions dealing with MoVeh 58.

a) Let's assume the situation occurs whereby a customer comes into a dealership to trade cars and the customer has a personalized plate. A deal is made between the customer and the automobile dealership whereby the customer trades in his passenger automobile on another used passenger automobile.

1) Can the dealer take the personalized plate off the customer's passenger automobile and put it on the used vehicle the customer has traded for?

2) Or, can the dealer only take the personalized plate off the customer's unit and give the personalized plate to the customer stating that the customer must wait to get approval from the Department before he can place his personalized plate on the used car he has just purchased?

3) How will the Department transfer the registration number on the used unit the customer has purchased to the customer's name and in addition also place in the computer the personalized plate so that law enforcement can associate the personalized plate as well as the registration carried by the used unit purchased with the new owner's name?

4) The Department must coordinate changing the Month and Year sticker on the customer's personalized plate to the Month and Year sticker which is contained on the regular plate of the vehicle the customer has purchased.

Example: The customer comes into the dealership to trade for a used car. The vehicle he owns has a personalized plate with the Month sticker of August and the Year 1977. He trades that vehicle in on another used vehicle that has MAY 1977 stickers on the plate.

How does the Department issue stickers to bring the personalized plate (August 1977) into synchromesh with the purchased used unit plate which reads May 1977?

5. A similar question arises when a customer comes into a dealership and trades in his vehicle with personalized plates, on the purchase of a new vehicle. How does the dealer handle taking off the personalized plates on the customer's vehicle and placing them on the new vehicle purchased?

a) Does the dealer have to purchase a license plate at the Deputy Registrar or the Central Office and place it on the new vehicle before he can take the regular plate off and replace it with the personalized plate?

b) Or can the automobile dealer merely inform the Deputy Registrar by some designation on an application form that he is selling a new vehicle to a customer that has personalized plates and then the Deputy Registrar or Central Office could merely authorize the dealer to place the personalized plates on the unit without actually physically giving a regular license plate to the dealer?

c) Or here again would the dealer be required to place regular plates on the new motor vehicle purchased by the customer and instruct the customer that he should take his personalized plates home with him and keep them until such time as the Department sends him a letter authorizing him to turn in his regular license plates at a designated location and by doing this, he would then be allowed to place his personalized plates on the vehicle?

d) The Department may have to require this procedure to make sure they marry the regular license plate number and the personalized plate number to both the vehicle and the owner(s) name.

e) I do not believe there will be a problem on the Month and Year sticker on a personalized plate with the purchase of license plates on the sale of a new vehicle. The reason is that the Monthly Registration Law allows the individual to license the new unit in the month designated by his last name. However, I do see certain situations arising whereby a customer may trade his used vehicle in on a new vehicle and only have one or two months remaining on his personalized plates before they expire. In that case, I believe the Department requires that if a person is making application for license plates and there is less than three months to his expiration date, the customer has to apply for a 13, 14 or 15 month registration.

f) Has the Department established a procedure to handle a situation whereby a customer has November 1977 Month and Year stickers on his personalized plate and purchases a new vehicle in September 1977 and makes application for license plates on his new vehicle? In this case the customer is within the three month expiration date on his personalized plates so he would have to purchase registration for 14 months, or until November 1978. Can the dealer purchase a plate for this customer with November 1978 on it and also get an additional set of stickers for the customer to place on his personalized plates?

In summary these are the questions which I posed to the Department at the Hearing on Wednesday, September 8, 1976. If something is unclear or if I can be of any further assistance, please do not hesitate to contact me immediately.

Sincerely,

Gary D. Rippentrop

Gary D. Rippentrop
EXECUTIVE VICE PRESIDENT

GDR:jf

cc: Ms. Mary Williams

ORIGINAL COPY

STATE OF MINNESOTA DEPARTMENT OF PUBLIC SAFETY

COUNTY OF RAMSEY

In the Matter of the Proposed Rules of the State Department of Public Safety Relating to the Manufacture and Distribution of Personalized License Plates for Motor Vehicles DPS-77-002-WS

The above-entitled hearing came on before William Seltzer, Hearing Examiner, on the 8th day of September, 1976, in the State Highway Department Building, St. Paul, Minnesota, commencing at approximately 9:00 o'clock a.m..

APPEARANCES:

HEARING EXAMINER:

William Seltzer

DEPARTMENT OF PUBLIC SAFETY:

Joel A. Watne, Special Assistant Attorney General

Jerry Clysdale

Barbara Mittelstadt

* * *

WHEREUPON, the following proceedings were duly had: --

* * *

MR. SELTZER: Let the record show we are beginning this hearing at five minutes after 9:00. I want to introduce myself, I'm Bill Seltzer from the Office of Hearing Examiner. This is in the matter of the proposed adoption of rules of the State Department of Public Safety governing the manufacture and distribution of personalized license plates for motor vehicles. At the beginning of the hearing, I would like to comment that it should be noted that anyone who desires to submit a written brief or other written comments bearing upon the proposed rules may do so within 20 days of the close of this hearing. Such material should be submitted to myself, William Seltzer, that's at the Office of Hearing Examiner,

Room 300, 1745 University Avenue, St. Paul, Minnesota, 55104. All materials must be received within the 20 day period in order to be considered.

My function this morning is to act as an independent Hearing Examiner. I am not associated with the Department, nor am I associated with any other independent parties. At the close of the record, I will write a report and I will submit it to the Department, they will either accept or reject my report and they will adopt the regulations as they see fit or reject them as they see fit.

I would like to mention that you advise under Minnesota Statute Section 10A.01 Subdivision 11, any individual representing persons or associations attempting to influence administrative action such as the promulgation of these rules must register with the State Ethics Commission as a lobbyist within five days of this hearing today. Are there any questions this morning about how we will proceed up to this point?

We'll begin this morning by asking the Agency to introduce their jurisdictional documents, I will have a comment to make after that, and after that the Agency will put on its case in Chief. After witness has testified, individuals will be allowed to cross-examine. After the State has completed its case in Chief, any individual that wishes to offer further testimony may do so. I'm going to ask that each one of you, if you have a

question of a witness, that you first identify yourself by name and organization before you ask such questions. Are there any questions up to this point?

Very well, I will ask present counsel at the table to introduce themselves and those present this morning.

MR. WATNE: Thank you, for the record, my name is Joel A. Watne, I am a Special Assistant Attorney General assigned to the Department of Public Safety. We have as jurisdictional documents identified as Exhibit A, an Order for Hearing signed by Edward G. Novak, Commissioner of Public Safety. Exhibit B is a Statement of Need consisting of six typed pages signed by Edward G. Novak, Commissioner of Public Safety, dated July 20, 1976, which will be read later by Barbara Mittelstadt. Exhibit C is a notice of hearing dated July 20, 1976 signed by Edward G. Novak, Commissioner of Public Safety. Exhibit D is a certificate signed by Joan Anderson Groves by Cecil Dion, representing the Secretary of State, certifying a list as of August 15, 1976 of the 494 names and addresses of persons or organizations which had registered for notification of hearings such as this one. Exhibit E is an affidavit of receipt of the Secretary of State's list signed by Diane Hamilton, Department of Public Safety, dated August 15, 1976. Exhibit F is an affidavit of

mailing signed by Diane Hamilton dated August 6, 1976, certifying the mailing of the notices of this hearing to the people on the Secretary of State's list. In addition, we have the original typed copy of the proposed rules.

MR. SELTZER: Is that marked as an exhibit?

MR. WATNE: No, that has not been marked.

MR. SELTZER: Let's mark that as Exhibit G.

MR. WATNE: Exhibits A through G are offered into evidence.

MR. SELTZER: Is there any objection to the acceptance into evidence of Public Safety Exhibits A through G? There being none, they will be received into evidence. Counsel, before we proceed, I understand there are two in standard amendments which the Department wishes to make, is that correct, to the proposed regulations?

MR. WATNE: I have been so advised.

MR. SELTZER: The copy that you have submitted into evidence now does not reflect those amendments, is that correct?

MR. WATNE: That's correct.

MR. SELTZER: Do we have additional copies for those present this morning as to these amendments?

SPECTATOR: There are additional copies in the back of the room.

MR. SELTZER: I wish to note for the record that I do have two amendments which have been submitted to the Hearing Examiner prior to the beginning of this hearing this morning. The first one is dated August 24, 1976, it was submitted to the Hearing Examiner, and basically what the amendment does is eliminate item A.3 "Capital A hyphen." From Motor Vehicle 53. As I understand, this amendment is to avoid the possible problem of somebody applying for a personalized license plate with nothing but hyphens.

The second amendment which was handed to me this morning, which is dated September 8, 1976, is directed to myself from Mary M. Williams and reads as follows: "Add a section to Motor Vehicle 58, Motor Vehicle 58 D. If an owner sells a vehicle to which personalized plates have been assigned and elects to retain the personalized plates, it shall be the responsibility of the owner to obtain regular passenger car plates before the vehicle is sold."

Justification for this rules is as follows: "The division had previously intended to permit the personalized plates assigned to a vehicle to be displayed by attaching them to the vehicle over the regular passenger car plates. However, it appears that M.S. 169.79 makes it a violation to obstruct the view of a valid number plate. This section also implies that only one set of valid

plates can be displayed on a vehicle at one time. Further, to have two pairs of valid plates on a vehicle at one time would lead to confusion on the part of the public and law enforcement and open the door to potential abuses."

As we proceed this morning, we will consider these amendments as being as part of the record. Again, I ask before we proceed are there any questions as to how we are going to proceed this morning?

MR. WATNE: Do you wish to have those marked as exhibits, perhaps?

MR. SELTZER: I will accept these at the close of the hearing this morning, Counsel. Do you wish to proceed with your case in chief? Let me ask, before we proceed, I note that this is a rules hearing and it is not required that the witnesses be sworn to testify, however, the way I conduct rules hearings is I always ask the witness if they will permit themselves to be sworn in. Of course, any witness can refuse to do so, and there is certainly no problem if the witness refuses to do that, it is no reflection upon his testimony that is offered. So before we read this statement this morning, I wonder if I could swear in the witness that will be reading this statement, if it's all right with her.

BARBARA MITTELSTADT,

after having been first duly sworn by the Hearing Examiner, testified as follows:

MR. WATNE: On behalf of the Department of Public Safety, Barbara Mittelstadt will read the Statement of Need.

MRS. MITTELSTADT: State of Minnesota, County of Ramsey, before Edward G. Novak, Commissioner of Public Safety. In the matter of the proposed rules of the State Department of Public Safety relating to the manufacture and distribution of personalized license plates for motor vehicles, Statement of Need.

MR. SELTZER: Excuse me one minute, can everybody hear in the back there?

SPECTATOR: Not very well.

MR. SELTZER: Would you speak a little louder, please?

MRS. MITTELSTADT: In enacting Minnesota Laws 1975, Chapter 245, the Legislature established a program to provide the passenger motor vehicle owners of the State of Minnesota the option of displaying license plates which have a personally determined combination of letters and numbers on them upon payment of a $50 fee in addition to the usual registration taxes. This program allows Minnesotans to decide what name, word or other combination of letters or numbers shall be printed

on their plates, a program available in most states throughout the country. The program also provides extra state revenue, on a voluntary basis.

The proposed rules are based upon Chapter 245. They are designed to specify the procedures that will govern the production and distribution of personalized license plates, requirements that applicants must meet to qualify for personalized license plates, the criteria for personalized license plates and the controls to be placed upon the distribution of personalized license plates. These provisions will satisfy the requirements of Chapter 245.

The justification establishing the need for and reasonableness of the specific substantive provisions of the rules is as follows:

MoVeh 50 and 51. These sections provide the background information concerning the reason for promulgation of MoVeh 50-69 in order to provide a general idea of the purpose, intent and scope of the rules.

MoVeh 52. The definitions section is intended to aid in understanding the rules by providing specific meanings to either technical words or to words which could have more than one meaning.

MoVeh 53. The Division of Motor Vehicles maintains a large data processing system both for information and record-keeping purposes. One of the two access keys is by plate number. The

characters which can be displayed are restricted primarily for identification purposes.

All major categories of license plate numbers and their associated information (owner, vehicle description, tax, et cetera) are currently available on a seven-day-per-week, 24-hour-per-day basis to agencies through either the Division of Motor Vehicles, the Minnesota Crime Information System (MINCIS), the National Law Enforcement Teletype System, or the National Crime Information Center (NCIC). The record information is provided to virtually all law enforcement agencies in the nation through one or more of these systems. Since 1968 the State has expanded in excess of $15 million to implement, operate and maintain these systems.

The needs of most law enforcement agencies require fast and accurate identification of vehicles and owners, using, in most instances, only a license plate number. In order to provide accurate data, the plate numbers issued must be unique. In addition to law enforcement agencies, the record information is available to agencies such as banks and lending institutions, automotive dealerships and the registration agencies of other states in order to verify the current status and accuracy of the record information. Other record inquiries are made generally on the basis of plate numbers.

Therefore, the Division intends to put

personalized plates in its computer processing system and make these plates available for inquiry through the systems mentioned above. To accomplish this, the Division must insure that each plate issued is unique and can be easily recognized. The restrictions proposed in this rule are designed to accomplish this purpose.

MoVeh 53A. Upper-Case Letters: On a face value plate, upper-case and lower-case letters have the same value. In addition, virtually all telecommunication devices used for inquiries have only upper-case letters. Only upper-case letters have been used on Minnesota plates in the past. To inject lower-case characters into the system would cause recognition problems. These letters are required since they are the only ones which are recognized by the majority of people in this country.

Numbers: These numbers are required since they are the only ones recognizable by the majority of people in this country. Other number systems such as Roman Numerals are not easily identified as numbers rather than letters, and must be prohibited.

Hyphen: A hyphen will be allowed in order to add flexibility to the combinations. It is the one non-number/non-letter character already in use on plates.

MoVeh 53B. Various methods are used to make a plate unique or different from other groups of

plates, depending upon the purpose. One method may be by paint color or a different color of reflective material. In general, for a new plate issue the Division changes the paint color, or uses different colors of reflective material in conjunction with a change of paint color. In 1976, the paint color on truck plates was changed from red-orange to dark blue. Also in 1976, the Division issued plates with a yellow reflective material for urban trucks, to indicate the restricted operational zone.

Since personalized plates will be issued only for passenger vehicles, the Division proposes that the specifications for the plates be identical in all respects to those of all other passenger cars registered in Minnesota. The uniqueness of the plate will stem from the characters displayed on it.

"Other specifications" referred to in the rules are location of bolt holes, steel gauge, plate dimension, steel coating materials, et cetera.

MoVeh 53C. At least one character is needed on a plate to make it unique and to provide an identifier for recording purposes.

MoVeh 53D. This rule is proposed as a corollary to MoVeh 53A to insure a unique non-duplicated plate.

MoVeh 53E. The Division currently licenses twenty classes of vehicles. Each class and its

associated number system is based on a statutory distinction as to the tax rate, type of use, type of vehicle, or area of use.

The Division, in designing its manual and computer processing and plate numbering system, has capitalized on this fact and has incorporated these ideas into its everyday operations. For example, the Division has specified that any plate beginning with "U" is a Minnesota urban class truck. This plate prefix automatically indicates that the vehicle is registered on an empty-weight basis for 1976 and has a limited operating zone.

Because these types of class, zone, tax and use indicators are consistent throughout the Division's operational system, and because discarding these operational aids would cause errors and confusion on the part of Division personnel, law enforcement agencies and the public, the Division proposes that it be allowed to retain these aids by prohibiting them from the personalized formats.

MoVeh 53F. As a corollary to MoVeh 53E, the Division proposes that individual numbers in other systems used by the Division not be removed from the system. In other words, if this rule were not adopted, an applicant could select a combination printed on, for example, a truck plate. This would require a search for that particular truck plate, and its subsequent destruction, so that the passenger plate could be issued. The uniform

plate numbering system explained in MoVeh 53E would be interrupted and would lose its meaning if this were allowed.

MoVeh 53G. The Division, in an attempt to provide more flexibility in the plate formats, will allow the maximum of six characters provided by law to be augmented by one space. This will allow the applicant to group characters and indicate words. A character is not a space and a space is not a character. The number of characters (letters and numbers) may have spaces added until the total equals seven, seven being the maximum number of positions available on a Minnesota license plate. Character and space totals in excess of seven, therefore, must be rejected.

The personalized plates are intended to be accepted at face value. That is, a plate with an A in the first position and a Z in the second position with no other characters has the same recognition value as a plate with A in the second position and Z in the fourth position. When only one space between characters is permitted, and the combination is centered, no duplication will occur.

MoVeh 54A. Three is a reasonable number of alternate choices and is a suitable number to fit onto an application form without making the form too large. MoVeh 53E prohibits duplicates, so Division personnel must determine that each

request is original and then, according to Chapter 245, reject any improper combinations. If all requested combinations are duplicates and/or improper, no plates can be issued so the fees are refunded.

MoVeh 54B. An attorney general's opinion (1188) made on August 8, 1946, states that all owners' signatures are required to permit transfer of registration of a vehicle. Based on this opinion, applications for duplicate titles, tax refunds and other transactions must also have the signatures of all owners in order for the Division to complete the transaction. Because personalized plates are a highly individualized matter, we propose that all owners approve the plate slogan choice by signing the application. This way, we expect to prevent owner discord which could result if only one owner were to determine the slogan.

MoVeh 54C. This rule eliminates the possibility of persons reserving certain combinations merely to prevent others from having them, without the intention of actually paying for them and placing them on a vehicle. This is an extension of the "first come, first served" tradition.

MoVeh 55A. The written statement of loss or theft is required by N.S. 168.29. A different combination of characters must be issued to avoid possible duplication, since lost or stolen plates might be used on another vehicle without the

plate owner's permission. The lost or stolen plates will be reported to law enforcement agencies; identical duplicates could, therefore, place the legitimate plate owner in a difficult situation if stopped by a law enforcement officer.

M.S. 168.29 requires a fee for issuing duplicate plates if the originals are defaced, lost, destroyed or stolen.

If the applicant's choices of replacement combinations are rejected according to MoVeh 54A, a prorated refund will be made since the applicant will not be given personalized plates. If a satisfactory replacement combination is selected, the vehicle owner will be given a choice of only one of the combinations (original or replacement) to reserve for the next plate issue year, since only one set can be issued at a time.

MoVeh 55B. If personalized plates are defaced, the owner may turn in both plates and receive identical duplicates, since the Division will know that the combination will not be illegally used on another vehicle. Duplicate plate fees will have to be paid, according to M.S. 168.29. If only one defaced plate is surrendered, it would be possible that the missing plate would be used on another vehicle; therefore, identical replacement plates could not be issued, according to MoVeh 55A.

MoVeh 56. Because the personalized plate fee is, in essence, $10 a year (payable in five-year sums), it is reasonable to charge on a basis of

$10 a year when the application is made within the five-year plate issue. In other words, the owner of a new vehicle purchased in 1979 would pay $30, to cover the years (1979, 1980, and 1981) remaining in the plate-issue time span. The same procedure would apply to new residents.

The Division believes it was not the intent of the legislature to restrict the purchase of personalized plates to only the first year of issue of a multi-year plate. Also, the Division believes it was not the intent of the legislature to require the payment of the full $50 fee in any of the years of plate life, but that it was intended to be a $10-per-year fee for the plate, which could be issued anytime.

MoVeh 57A. A prorated refund is proposed, since the owner will not have the use of personalized plates after they have been stolen or lost, or after the owner has turned them in. This also provides for a change of mind, so that an applicant who tires of a personalized plate slogan, or who becomes embarrassed by it for some reason, or who seeks to be rid of it, for any other reason, is not forced to use the plates against his or her will.

MoVeh 57B. A refund is considered a waiver of reservation, since the applicant has voluntarily selected not to retain the personalized plates. In the case of stolen or lost plates where a refund is issued, since that

combination cannot be issued again during that plate issue, the original owner will have the opportunity to apply for the original combination at the time of renewal for the next plate issue.

MoVeh 57C. If an owner elects to retain personalized plates although he does not use the vehicle for a year, he should be expected to pay for the privilege of retaining the plates, since the plate combination cannot be issued to anyone else. The owner always has the option of surrendering the plates and receiving a refund if he does not intend to use the vehicle.

MoVeh 58A. Minnesota law (M.S. 168.12) provides that plates are issued to specific vehicles and must stay with that vehicle. M.S. 168.36 provides misdemeanor penalties for using plates on any other vehicle.

MoVeh 58B. This section allows the owner to transfer his or her personalized plates to another vehicle if he purchases a different vehicle during the five year plate issue, as provided in Chapter 245. The fee is prescribed in Chapter 245. The vehicle must be registered in Minnesota since the plate is exclusive to Minnesota and serves as a "receipt" for taxes paid to Minnesota. Any existing plates on the replacement vehicle must be surrendered so that they cannot be used on another vehicle without the proper taxes having been paid. Written notification of the transfer is necessary to update the vehicle's record.

MoVeh 58C. If the owner chooses to allow the personalized plates to remain on a vehicle he sells, he obviously does not care to retain them and therefore should relinquish any further claim to the plates. It would be a seller-buyer decision concerning any credit payment for the remainder of the plate life, identical to present practice for plate transfer upon sale of a vehicle.

MoVeh 59A. November 15, 1976, is the effective date of Chapter 245; therefore, any applications received prior to that date would have no legal basis on which the Division could collect fees.

MoVeh 59B. Because 1977 is the first year of a new plate issue, and because passenger vehicle license plates are issued sequentially on a monthly basis from March through November, it becomes necessary to restrict personalized license plates to the upcoming plate issue. If an applicant ordered personalized license plates in November 1976 for immediate issue, the Division would have to produce plates which would be valid only for a few months, i.e., until the month in 1977 when the plates expire, at which time the new issue of plates would be assigned; this could cost the State a considerable amount of money in salaries, plate materials and handling costs. This rule is proposed only for the initial issue, to facilitate the implementations of the new program.

Reservations of the combination until the renewal time of the vehicle allows all owners to apply at the same time, equalizing the "competition" for specific slogans.

MoVeh 59C. If the 1974 plate specifications were allowed, the Division would be issuing two distinctively different license plates (1974's red-orange and 1978's blue graphic plates) for use at the same time. Law enforcement agencies prefer one distinctive plate for each state so that instant recognition is possible. This rule is a corollary to MoVeh 59B and is made primarily to make explicit the Division's intentions expressed in MoVeh 59B.

MoVeh 60. Chapter 245 provides that the owner must apply for his/her reserved plates "at least 30 days prior to the first date on which his/her registration can be renewed. The Division wishes to further restrict this limit to no more than 60 days before that time, so that the Division is not handling reservations years before the next plate issue. The additional record-keeping which could result would necessitate additional employees and higher costs of operation. Renewal notices are mailed near the middle of the month preceding the expiration month of a vehicle; with the 30-day limit, this would equal the fifteenth day of the month previous to the mailing month. The fifteenth day was selected as a common denominator, since renewal notices are

mailed on different days, depending on the Postal Service's workload, weekends, holidays, et cetera.

MoVeh 61. Because applications will be accepted at all 145 deputy registrar offices as well as at the central office, for the public's convenience, the same combination of characters may be requested by more than one applicant on the same day, and even, possibly, at the same time. To determine which application should be considered first, we propose a random sequential numbering system similar to the traditional "drawing in case of ties", in fairness to the applicants.

State of Minnesota, Department of Public Safety, Edward G. Novak, signed July 20, 1976.

MR. SELTZER: Thank you, very much. Would you please state your position with the Department?

MRS. MITTELSTADT: Director's secretary.

MR. SELTZER: And you have read the Statement of Need under the direction of your supervisor?

MRS. MITTELSTADT: Yes.

MR. SELTZER: Is your supervisor present?

MRS. MITTELSTADT: Yes.

MR. SELTZER: We also have two amendments, the two in standard changes which we talked about previously and I would like to get the justification for both read into the record. Could we have the witness read that, please?

MS. WILLIAMS: Mr. Seltzer, Mrs. Mittelstadt's voice is gone, may I read them?

MR. SELTZER: Surely, may I ask you to be sworn before we proceed?

MARY M. WILLIAMS,

after having been first duly sworn by the Hearing Examiner, testified as follows:

MR. SELTZER: Please state your name and position for the record?

MS. WILLIAMS: My name is Mary Williams, Director of Motor Vehicles. Why don't I read the entire memo?

MR. SELTZER: Fine.

MS. WILLIAMS: I have two changes, the first one is in order to prevent the possibility of a plate being printed with only hyphens on it, a combination which would be difficult for law enforcement officers not only to read, but also to orally communicate over the radio, I request that the proposed rules entitled Chapter 4 of the Motor Vehicle Division be amended to read, first of all, eliminate Item Capital A.3 "A Hyphen" from Motor Vehicle 53.

Then change Item G of Motor Vehicle 53 to read "An applicant may elect to group characters by spacing and/or hyphenation. A space or a hyphen is not a character. The maximum number of

characters is six. The combination of characters, spaces and/or hyphens totaling more than seven will be rejected. No more than one space or hyphen is permitted between adjoining characters. If the total of characters, spaces and/or hyphens is less than seven, the Division shall have the right to center the characters, spaces and/or hyphens on the plate."

The other amendment reads, "In order to clarify the procedures involved in the assignment of plates by the Division, I request that the proposed rules entitled Chapter 4 of the Motor Vehicle Division be amended to read: Add a section to Motor Vehicle 58; Motor Vehicle 58D. If an owner sells a vehicle to which personalized plates have been assigned and elects to retain the personalized plates, it shall be the responsibility of the owner to obtain regular passenger car plates before the vehicle is sold.

Justification. The Division had previously intended to permit the personalized plates assigned to a vehicle to be displayed by attaching them to the vehicle over the regular passenger car plates. However, it appears that M.S. 169.79 makes it a violation to obstruct the view of a valid number plate. This section also implies that only one set of valid plates can be displayed on a vehicle at one time. Further, to have two pairs of valid plates on a vehicle at one time would lead to confusion on the part of the public and law

enforcement and open the door to potential abuses."

MR. SELTZER: Thank you, very much. We will mark these two amendments as Public Safety Composite Exhibit H. Are there any objections to the admission into evidence? There being none, they will also be received into evidence. Counsel, do you have any further direct examination of your witnesses?

MR. WATNE: No, we do not.

MR. SELTZER: At this time, I will ask if there is any questions of the witness from the audience. Yes, sir, would you please identify yourself?

MR. WEBSTER: My name is John Webster, I live at 2213 Nicollet Avenue, Minneapolis. I'm a member of License Plate Research Group which is a voluntary association. I would like to ask whether it is correct that the proposed rules would eliminate, as I understand they would, the regular series of plates which are coming up for this current approaching season, that is 1977. I believe we are going to a format of A, B, C, 1, 2, 3, I believe that's correct. Three alphabetical digits and three numericals, and would that be eliminated by the proposed rules?

MS. WILSON: Mr. Seltzer, do you want me to answer that?

MR. SELTZER: Please.

MS. WILSON: You are correct in that we

will have three alphabet digits and three numerals on the 1978 plates and your assumption that the combinations on the regular plates will be prohibited from being used on personalized plates is also correct.

MR. WEBSTER: I think I understand, except for one thing, Mr. Chairman, I believe that it has been the practice of the Motor Vehicle Division up to the present time to start at the number 100, rather than 001, 002, 003, and so forth. If that is to be continued, would, for example, a plate such as ABC-1, be permissible, or would that also be ruled out?

MR. SELTZER: Would you please identify yourself?

MR. CLYSDALE: My name is Jerry Clysdale, I am an analyst with the Department of Public Safety assigned to the Division of Motor Vehicles. Mr. Chairman, I can answer the question. For the upcoming plate issue for passenger cars, we intend to begin issuing plates with three alphas and three numbers, we will start with AAA, 0001. We will be using the zero, they will not be starting with 100. Your combination that you propose, which I believe was ABC-1, under the rules as proposed would be permissible because it does not duplicate our series that is a four number combination or four letter number combination, ours are six.

MR. WEBSTER: Thank you, I wanted to

ask that for the reason that I can foresee, based on the experience of other states, that the use of three alphabetical digits, plus a number will be a frequently requested combination and I'm glad to hear that will be permissible because it will solve your problems and will simplify your work a great deal.

MR. SELTZER: Yes, sir.

MR. RIPPENTROP: Mr. Chairman, are we in a question period of the panel, or are you taking statements now?

MR. SELTZER: We will take statements after they have completed their case in chief. Are there any further questions? Miss Williams, I wonder if you could as distinctly and as briefly as possible, just explain to me what the benefit of this proposal would be to number one, the State, number two the people of the State, that's individual private citizens.

MS. WILLIAMS: The benefit of our proposed rules?

MR. SELTZER: Yes, should they be adopted.

MS. WILLIAMS: That is a difficult question for me to answer, but the Chapter 245 of the 1975 laws, is quite vague when it comes to administrative proposals and procedures, purposely, and the author included in the bill, not only the authority to mandate or the Department to issue rules and regulations dealing with his

specifics in this area, because one thing he was not that acquainted with Motor Vehicle procedures and how complex they are and he felt that was up to the administrator to determine.

We feel that the rules we are proposing are quite liberal and broad, eliminate any restrictions possible so that our clients who wish to invest $50 in a license plate can have just about anything they want without interfering with the basic reason for our license plates, and that is law enforcement recognition purposes and as a receipt for taxes paid. It is our intention not to make it difficult for the public by making restrictive rules, but we have tried to cover everything we could. I think that's why there are two amendments, because we kept thinking about it after we had written the rules and came up with more problems which we felt should be addressed, so at the time of the application we have got answers for everything.

MR. SELTZER: At least one benefit or function of the proposal is to raise additional revenue for the State, is that correct?

MS. WILLIAMS: That is not the benefit of our rules, that's the benefit of the law.

MR. SELTZER: Do you have any projection how much additional revenue the State can expect if these regulations are adopted?

MS. WILLIAMS: We don't have the slightest idea, we have no idea how many people

will be applying for personal license plates, we won't even guess at that.

MR. SELTZER: Have you checked with the State police or the local police and other local law enforcement agencies to get their opinion with regard to the personalized license plates?

MS. WILLIAMS: You mean as far as the law or the rules?

MR. SELTZER: With regard to the proposed rules and regulations, have you gotten the opinion or views of either the State police or other local law enforcement agencies?

MS. WILLIAMS: We have worked with the State Patrol, yes, they have had input on these and I believe that's the only law enforcement agency we have worked with closely.

MR. SELTZER: I see there are some representatives from the State police here this morning, are the State police planning on testifying, or at least rendering their opinion with regard to these proposed regulations?

SPECTATOR: We will do that, Mr. Examiner.

MR. SELTZER: Are there any other questions of any of the State's witnesses?

MR. WEBSTER: Mr. Examiner, John Webster again. A point of clarification, using the hyphen, which I think is a good idea, by the way, is the combination A-B-C the same as ABC, as far as the Department would be concerned? I foresee this

coming up, and I wonder what you feel on that situation.

MS. WILLIAMS: Mr. Seltzer, I am told that is the same, I don't understand why though, I wish Mr. Clysdale would elaborate on that.

MR. CLYSDALE: Mr. Examiner, we determined that the rules we propose that a hyphen or a space is not a character, therefore, as far as we are concerned, it would really be invisible and we will not either enter them into the computerized record, therefore, one with hyphens is identical to one without hyphens. The ABC is the same with hyphens or without hyphens.

MR. SELTZER: I would just like to pursue that just a minute. Now, the license plate is limited to seven characters, is that correct?

MR. CLYSDALE: Mr. Examiner, yes, it is, but just a second, the plate itself can physically contain seven positions. The rules or the statute provides that it can be a maximum of six letters or six characters on the plate.

MR. SELTZER: A hyphen is not a character?

MR. CLYSDALE: Correct.

MR. SELTZER: A space is not a character?

MR. CLYSDALE: Correct.

MR. SELTZER: Thank you. Sir, you had a question?

MR. RIPPENTROP: Mr. Examiner, I had some questions along with a statement, can I defer that all at once or --

MR. SELTZER: I would prefer you to ask your question now and make your statement at such time as you will be testifying.

MR. RIPPENTROP: Mr. Examiner, my name is Gary Rippentrop, executive vice president of the Minnesota Automobile Dealer's Association. I'm a registered representative for them with the Ethics Commission. Mr. Examiner, I have a number of questions dealing with Motor Vehicle 58, the assignment of plate area. As I see it, the current rules and regulations that are being proposed, we seem to miss a lot of the administrative procedures that we, the franchise automobile dealers, will have to deal with when people come in to trade units that have personalized plates on them. I see the amendment that I just saw this morning dealing with the Motor Vehicle 58D, it states shall be the responsibility. My question is, is that flexible, in other words, as it states here shall be the responsibility of the owner, my question is can the owner assign that responsibility to the dealer? Example, a unit comes in or a person comes in with a personalized plate. Under normal conditions, or under the normal transaction of business, especially, for example, like with a Certificate of Title Law, the majority of them that come in, sometimes they have the title and sometimes they don't. The point being that I am not sure that the individual having the personal plate will know that he is required to

go down and get it, so he arrives at the dealership, at that point it is our only obligation or only recourse is to send him to a deputy or to the Department and saying, Mr. Customer, we can't deal with you until you go and get a regular plate and come back and take your personalized plate off, and then come back and we can deal with you, or, could he sign something or could we take the responsibility of saying, Mr. Customer, we will take your trade now, we will handle the transaction with you.

MR. SELTZER: Miss Williams, I wonder, could you respond?

MS. WILLIAMS: Yes, Mr. Rippentrop, it is our intent that responsibility means seeing that it is done, it doesn't matter who does it, but I am not sure, I would like to have Mr. Watne advise me whether I am on firm ground there as far as the legal end of it.

MR. WATNE: Off the top of my head, without any vast amount of research, I would say that would certainly be permissible. The responsibility implies no more than that they do see to it that it's done and whether it's done by the owner himself or the dealer with whom he is dealing, I think is really immaterial, so long as it gets done and the seller sees to it that it gets done.

MR. RIPPENTROP: Then, Mr. Examiner, the question comes up, is there a fee involved to the

consumer when he makes this switch, in other words, he either before he comes into the dealership or when he gets to the dealership and we handle it for him, how does he go about simply, you know, transferring or getting a regular plate for his personalized plate, he would go into the deputy registrar and get this by filling out a form at no charge to him, or is there a charge? Secondly, when that question is answered, if again, as the law so stated, that only an individual can do that which means if the dealer applies for the regular plate that there would be a fee?

MS. WILLIAMS: Mr. Seltzer, we intend that there would be no fee for anyone in doing it, that the dealer is doing it for the owner simply means he is an agent of the owner, there would be no fee, and as he said, he would go to a deputy registrar or to the central office and fill out a form.

MR. RIPPENTROP: There would be no fee for either the individual or for the dealer who may be doing this for the customer?

MS. WILLIAMS: That's correct.

MR. RIPPENTROP: Mr. Examiner, I've also got some questions then dealing with the -- back with the current assignment. A question comes up on the purchase, number one, when a customer comes into a dealership and now we have established that the dealer can handle, the customer is sort of ignorant of the law, he comes

in and he has a personalized plate on, and we say Mr. Customer, we could handle this for you and he asks us to do it. At that point, we trade him into a new, or a different used vehicle that has a regular numbered plate, are we the dealer, permitted to take that regular plate off from that unit and put his new personalized plate on the unit he is trading for?

MS. WILLIAMS: I see no problem with that, Mr. Rippentrop.

MR. RIPPENTROP: If that be the case then, Mr. Examiner, what do we do with the plate we pull off?

MS. WILLIAMS: You would turn that in to the Department of Public Safety.

MR. RIPPENTROP: Are we required to turn that in to the Department of Public Safety, or can we destroy it ourselves?

MR. CLYSDALE: You are required to turn it in to the Department. The rules as proposed say that the owner shall turn it in, if I remember right, and under 58, Motor Vehicle 58B, Subsection 3, Surrender of Existing Plate, they talk about the owner doing it there, so if you sell the vehicle that has plates on it and you're going to attach the existing personalized plates of the owner on that vehicle, you may do it for him, I think, you ought to instruct him that's his responsibility to turn in the old plates.

MR. RIPPENTROP: Mr. Examiner, from that,

I take it then that we could pull off regular plates and handle the transaction again from the transaction for the consumer if we so chose?

MR. CLYSDALE: That's correct.

MR. RIPPENTROP: My next question then comes up with, as we have to remember, we are in a monthly registration system which registers vehicles between March and November of each year. The point being I would like to assume that the Department will be assigning month and year registration to each personalized plate as they get them the same as the other plate. Now, we have a situation where that customers comes into the dealer and on his personalized plate, for example, he has August '77, or whatever year it may be. The vehicle that he is trading for, the different used car that he is getting on that plate it reads May '77. How does the Department intend to switch the personalized plates to the month and year registration to correspond with the used unit that he is now purchasing?

MS. WILLIAMS: That's a very good question. Because the personalized plate is assigned to persons rather than to the vehicle, it's a very individual case in our system, I would have to assume that the month on the personalized plate would become the month for that vehicle regardless of its former date, is that right Jerry?

MR. CLYSDALE: No, we would adjust the

personalized plate to correspond with the year of the existing vehicle.

MS. WILLIAMS: Then we would have to reassign stickers, give them new stickers?

MR. CLYSDALE: In any case where you're putting a personalized plate on a vehicle that has a plate, we will have to adjust either the old plate or the personalized plate since the taxes are assigned upon a transfer, we would adjust the personalized plate to the month and year that already are assigned to that car, which is a common practice, we do it already in conjunction with citizen band plates and radio ham plates. The exact procedures we are going to spell out in the instructions to our deputy registrars, and certainly you would be able to get copies of that as you have done in the past under the other administrative procedures.

MR. RIPPENTROP: Mr. Examiner, a question along that line, in other words, I understand that, we'll take the illustration that I used, that on August '77 and the vehicle he is buying is a May '77, in other words stickers or a new month sticker or year whatever the case may be, will be issued to the individual to place on his personalized plate to bring that into sacro-mesh, so to say, with the plate that was on the unit that he's purchasing?

MS. WILLIAMS: That's correct.

MR. RIPPENTROP: Also, in a case then

the consumer would expect or would receive no refund or have to pay additional fee if they reverse where he had a personalized plate reading August of '77 and he traded for a vehicle that had November '77, instead of going backwards, say he gained three months by trading into another used car. The consumer would be given the benefit or the misbenefit depending upon the used car that he bought, in other words, his personalized plate reading August '77 going down, he would not get a refund, or going up, he would not have to pay an additional fee?

MR. CLYSDALE: There would be no tax adjustment in either case, because the owner, when he sells the vehicle is assigned the tax, therefore, the buyer assumes whatever he gets with that vehicle. All we would have to adjust is the personalized plate to reflect whatever is on that vehicle. If he had a plate, a personalized plate of August of '77 and the car had August '78 expiration date, we would give him a new year's sticker. The $50 personalized plate is for that plate and the reservation of that combination, not for the annual operating tax of that vehicle, that's already been paid, so there is no adjustment up or down on buying a used car to which he wants to assign his personalized plate.

MR. RIPPENTROP: Mr. Examiner, then I understand that, in other words, the only provision that the Department would adopt would be the

procedure whereby he is given a new month sticker and a year sticker to correspond to the used unit that he is purchasing that has already been flated?

MR. CLYSDALE: That's correct.

MR. RIPPENTROP: Mr. Examiner, a question on a new vehicle, and then back to this one also. On the sale of a new vehicle as I would interpret the law or recall the monthly registration law, if a customer comes in and -- into a dealership and has a personalized plate on his vehicle and trades for a new vehicle, heretofore unregistered, I don't see, and I would like the Department to confirm or disconfirm my statement, I don't see where that would really be a problem that a used car is simply because in that case the individual would be applying for a monthly registration on that new unit by his last name, which should sacromesh with his personalized plate. So instead of going and buying a used car with a different sticker on it, he is buying a new vehicle and he has August '77 on his personalized plate, that should be able to be transferred and licensed to an August '77, except if we're in that one or two, or three month in the short period which you will not, I believe, I believe it's less than three months, you won't allow them to -- you make him go 13, 14, or 15?

MR. CLYSDALE: Mr. Examiner, Mr.

Rippentrop, that's correct.

MR. RIPPENTROP: In that, Mr. Examiner, and another question along that line, in that case, would the Department suggest that a customer coming in purchasing this new vehicle that where we're required to promptly mail or submit the application for title, plates, et cetera, that may be the best procedure would be that we purchase the plate from our normal source, the deputy or central office here, and place that plate on the vehicle or can we just go down and inform the deputy that we are selling a vehicle, a new vehicle, to a person that has a personalized plate, and leave the plate right there, come back and put the personalized plate on. Do we have to go through the formality or the procedure of going physically and picking up the plate, bringing it back, putting it on the new vehicle, and then making the switch, or -- I have a question on the procedures on that.

MS. WILLIAMS: In many cases we anticipate issuing a plate and then destroying it, never giving it to the owner, if he already holds a personalized plate, there is no sense in having him putting it on and taking it off.

MR. RIPPENTROP: Mr. Examiner, from that, I gather that again we can handle the transaction and if the Department is not thinking in terms of having an individual put on a regularly numbered plate and keeping that on the vehicle until such

time that they authorize the personalized plate to be put on, in other words, they're saying that they can put the personalized plate immediately?

MS. WILLIAMS: That's correct.

MR. RIPPENTROP: On that, I guess, Mr. Examiner, I maybe would take issue. My thought is this, that on a new vehicle, I think it could work very well as we have just talked about, on a used vehicle, my concern is, is the Department along with the dealer, or the Department to the customer getting the sacromesh between his personalized plate and the plate on the unit that he's buying? The point being this, that we'll go back to the example, where a personalized plate reads August '77, he trades for a unit that now has November '77 on it, number one, the dealer or the individual is not required to go to the deputy to handle this, in other words, the point being it can be handled by mail. My question is, how can we insure that that personalized plate which is going to go on this November '77 unit is up from the August '77 to November '77 on the personal plate? So my question would be, should that regular plate be left on until such time as the Department notifies them that the personal plate can be put on, and you know, sends them a new sticker or, I guess I'm a little lost in that exact procedure, Mr. Examiner.

MR. CLYSDALE: Mr. Examiner, Mr. Rippentrop, the form that we have envisioned

is an addendum too, if you will, the current application for registration and title. The situation where there is a transfer of a vehicle with an existing plate on it, you would fill out the form, I think there are going to be number 2,001 and it would collect the information required, the description of the vehicle, the existing plate number, and the existing expiration date. We would also have to collect the existing personalized plate number and that existing expiration month and year. By virtue of the fact that you're filling it out on a specialized form, if you take it to the deputy he can issue you the proper stickers to adjust the tax months. That would also give us all the information we would need to make the addendum. If you take the plate, the existing plate off and attach it to the application we will have everything we need in one package. In the case of a new vehicle, in trading the old vehicle, you have one, get replacement plates, which are no fees, two, you have to fill out both the 2,001 and the 2,000, and they will contain all the information we need to process a transaction. Does that answer your question?

MR. RIPPENTROP: Mr. Examiner, from that, I would take it then that the Department would allow us to place on the personalized plate onto the used unit that was not in sacromesh and turn that in with the application if we so choose.

MR. CLYSDALE: That's correct.

MR. RIPPENTROP: As I would see it, you know, again you want those to be married together, so therefore, it would be sort of demanding on us simply because the title law requires that the dealer promptly mail or deliver the application in. We would have to pull them and handle it.

MR. CLYSDALE: Mr. Examiner, Mr. Rippentrop, when you start using the word shall, assured, or have to, you get a problem. All I'm saying is if you proceed in the method I described, we would have all the information we would need, whether it's done all at once or done in parts is really determined just by the size of the administrative burden that we have. If it's done in pieces, it's a bigger burden to us, it requires correspondence, follow-up, and things like that. If it's done all at once by the dealer it will be neat, all in one package, done all at once, and probably be correct. I am not trying to dissuade Mr. -- persuade you not to do it, but on the other hand, I am saying the other way also is possible and it's really, it can be done either way. I think rather than the Department interjecting itself into those detail operations of the dealership, we would tend to want to stay away from that and say here's what we need, here's a method and here's an alternate method, they will both accomplish the same end result, you choose whichever is more convenient for you.

MR. RIPPENTROP: Thank you. I think maybe that's one of my points, Mr. Hearing Examiner, is that you know, these types of procedures are administrative handling of this type of a personalized plate or transferring, I don't see how it is spelled out in here and that's where the point for the questions, and I think that may be interdepartmentally, like a suggestion to the deputy certainly will clear up a lot of our questions of exactly, how do we handle when a customer -- when confronted with a customer about a personalized plate in our dealership.

Another question I have, Mr. Examiner, is dealing with the prescribed fee. As I recall, I think Chapter 245 of the law stated that in addition to the normal say, for example, $2 transfer fee, there's a fee for transferring or handling a personalized plate, is that correct, Mr. Examiner?

MR. CLYSDALE: Mr. Examiner, Mr. Rippentrop, that is correct, the fee is $5.

MR. RIPPENTROP: Mr. Examiner, is this fee then this additional fee, would this fee or any others, are they envisioned to be put on to the form 2,001 that you indicated, or the new form that would be used in connection with this so that it's clearly marked there that we're able to pick it up, or the individual is able to pay it, or knows that he has to pay it so that in addition to the other fees that he normally has in transferring a

a vehicle?

MR. CLYSDALE: Mr. Examiner, as far as I know, we intend to do that, the form has not been finalized in its format.

MR. RIPPENTROP: Mr. Examiner, possibly a question in connection with the passenger automobile. I see that Motor Vehicle 58A specifically states used on passenger vehicles. I note that as far as the rules and regulations are concerned, there is no definition of passenger vehicle. My only question would be I wonder if we should refer back to 168.011, sub seven, which does define passenger automobile with the question dealing with the eight passenger, I believe is in that definition, but units such as -- the question, I guess, would be, are units such as a suburban carryall or vans that can have a passenger plate on, are they allowed to have personalized plates?

MR. CLYSDALE: Mr. Examiner, Mr. Rippentrop, we would issue personalized plates to any vehicle registered in the passenger class. Now, there are some vehicles defined as, as we define them in our manuals, as passenger utilities, we register either in a passenger class or a station wagon class, the YW class. If it's a registered passenger vehicle and issued the regular passenger plate, that vehicle can get a personalized plate. If it's registered as a YW, it cannot get a personalized plate. Only vehicles that have an expiration month of March through

November could get the personalized plates. Any vehicle with an expiration month from December, month and day of December 31st, under the statute, would not be issued a personalized plate. When we say passenger vehicle, we don't normally mean the regular sedan, we mean vehicles that have been registered as passenger vehicles, that includes carryalls, station wagons, if they get the passenger car plate.

MR. RIPPENTROP: Mr. Examiner, maybe just a comment on that. With the number of Minnesota citizens that now have pickups and these types of things, I would like the Department to make certain that that's very clearly stated, you know, so that the applications are very clearly stated for passenger automobiles. A number of families now have, you know, pickups that they use as their family units which would not, as I understand it, be eligible for the personalized plate, or could not have it transferred to that type of a unit.

MR. CLYSDALE: Mr. Examiner, Mr. Rippentrop, that point is well taken, and we will try to accommodate that on the application form.

MR. RIPPENTROP: Mr. Examiner, those are all the questions that I have for the Department personnel at this time.

MR. SELTZER: Thank you, very much. Let's take a five minute recess.

(Recess had.)

MR. SELTZER: Before we proceed any farther, I think some very interesting points have been just raised and I'm wondering whether or not you can submit questions to the agency running along the same lines as the questions you just posed to the witnesses that are testifying this morning. Many of your questions could be in example form, you set up an example of dealership "A" and individual customer "B" comes in, has a used car, purchases another used car, and you can sacromesh the dates any way you would like. Could you supply those types of questions to the agency within the next week? How soon do you think you could submit those questions?

MR. RIPPENTROP: I'll have them over there on Friday.

MR. SELTZER: Friday of this week?

MR. RIPPENTROP: I'll be out of town next week, so I'll have them down there by Friday.

MR. SELTZER: Okay, would the agency have any objection to submission of such questions?

MS. WILLIAMS: No, not at all, we would welcome them. Do you require the replies to be put into the record?

MR. SELTZER: Everything that will be received before the 20 day period during which the record remains open will be received into the record. Anything received after that period of time will not be received into the record, but at

this time, I'm going to make a specific request that the Department that in fact they respond to the questions that will be submitted to them Friday and the questions should be submitted in original form to the Hearing Examiner with copies going to the Department. The Department will then contact me the following Monday if there is an objection to any question and through telephone conversations, I'll rule on whether or not the Department has to respond to certain questions, should they have objections to those questions. Of course, I will notify the parties propounding those questions. I wonder if the agency should respond by the following Wednesday.

MS. WILLIAMS: Could you give me a date on that, please?

MR. SELTZER: The following Wednesday would be the 15th.

MS. WILLIAMS: Yes, sir, that's fine.

MR. SELTZER: I will ask that your responses in original form be submitted to the Office of Hearing Examiner, to William Seltzer, myself, with copies going to those who propounded the questions.

MR. RIPPENTROP: Mr. Examiner, when you stated your name at the start, I have it here as Office of Hearing Examiner, 1745 University Avenue, Room 300, I missed, St. Paul?

MR. SELTZER: St. Paul.

MR. RIPPENTROP: Is there a zip on that?

MR. SELTZER: 55104. Another interesting question that was raised was the definition of passenger car and I don't have the statutes in front of me, but I take it that the statutory definition of a passenger car and motor vehicle statute is somewhat different than the way the Department is interpreting the definition of passenger car for the purpose of issuing registration plates, is that correct? Is there an exact synchronization between the two definitions?

MR. CLYSDALE: Mr. Hearing Examiner, as far as I know, we don't have any conflict, we're not interpreting any different. We are using the statutory definition of 168.

MR. SELTZER: Let me read Chapter 168.011 Subdivision 7: "A passenger automobile means any motor vehicle designed and used for carrying of not more than eight persons but excluding motorcycles, motor scooters, and station wagons."

I think Chevrolet makes a vehicle called a Suburban which may be designed to carry as many as 12 passengers. It seems to me that that vehicle would not be a passenger car under the statutory definition of passenger car, is that correct?

MR. CLYSDALE: Yes, that's correct.

MR. SELTZER: Now, I believe your response to the questions that were posed to you previously indicated that type of vehicle, a Suburban, could receive a personalized plate?

MR. CLYSDALE: That's correct, if it fits

the statutory definition. That's what I was using and having in mind when I gave the answers.

MR. SELTZER: Then I'm confused. Would a Suburban be considered a passenger car?

MR. CLYSDALE: If it had in excess of the statutory required, what is it, eight, no.

MR. SELTZER: It's not a passenger vehicle?

MR. CLYSDALE: No, it could not be registered as a passenger vehicle.

MR. SELTZER: Therefore could not receive a personalized plate?

MR. CLYSDALE: That's correct. If it had only two seats and it had no provision for any more, it could be registered as a passenger car and could get personalized plates.

MR. SELTZER: Then I assume the same would hold true with van, some vans can be purchased with two seats, three seats, some, I believe, with even four seats which would be 15 passenger vans, so that a 15 passenger van, in the opinion of the Department would not be a passenger car and could not receive a personalized plate, is that correct?

MR. CLYSDALE: That's correct.

MR. SELTZER: Thank you, I have no further questions.

MR. RIPPENTROP: Mr. Examiner, I did not have time, last night I was thinking about that situation and did not have time to check the

statute, but I believe, a law was passed this last session that we helped with dealing with upping that number from eight to 12. There was a problem, as I recall, I believe it was Senator Ulland that carried the bill in the Senate and there was a problem dealing with what we're talking about here with a drivers license, or getting a classified drivers license if you used a van. It seems to me that that brought up a number, or there was a bill that dealt with what we're talking about. I'm sorry I cannot quote the bill number or the statute that was involved, but maybe that should be checked out. I'm looking at the '75 statute, I don't have them updated. Maybe that would be in answer to also this eight or less, or nine passenger, for example station wagon can be a nine passenger station wagon also and that's specifically excluded in there.

MR. SELTZER: I will state that whenever the term passenger car or passenger automobile is used in this regulation I will not allow that term be broadened by a regulation when it's in conflict with the statute, because the statute would be supreme. It should be meshed, that is the regulatory definition should be meshed with the statutory definition, but we would not allow the regulatory definition to exceed that of the statutory definition. If the statute has been changed and we don't have a copy in front of us, I will check that before I write my report, but if the statute

has been changed and there would be automatic synchronization between the definitional -- between the definition of passenger vehicle and passenger cars as appears in the regulation and as appears in the statute.

MR. WEBSTER: Mr. Examiner, along that same line, one thing you may wish to consider in writing your report is whether you take the vehicle as it is or as it has been modified, or whether you take the manufacturer's literature describing what that vehicle is. I have in mind certain vehicles which can be altered by means of either extra seats or benches, or whatever they may be to accommodate more passengers than the manufacturer built for them. This comes up again in a previous connection where under previous statute, a Cadillac limousine, had to be registered as a bus because it had more seats than the definition of passenger car involved at that time. The same question may be involved here and you may sort of chew on this as you write your report, because vans and other vehicles are easily altered now so that they accommodate more persons than they were when they left the factory. You may wish to decide whether you wish the manufacturer's specifications or the vehicle as it is, to govern.

MR. SELTZER: Thank you. I will ask the agency if they have any recommendation.

MR. WATNE: I believe, as a matter of simplification, that the term passenger vehicle as

used in the regulation simply refers to those vehicles, whatever they may look like, whatever they may have been called by the manufacturer, that would be eligible for registration under the statute as passenger vehicle.

MR. SELTZER: Yes, sir?

MR. BLAKE: My name is Ronald Blake, 3812 Janet Lane. I have a question regarding the initial issue of the plate, specifically, a person can on November 15 apply for a personalized plate and you are requesting that he submit three different plates, depending upon if the first choice is taken. It is then my understanding that he would not be actually issued the plate until his renewal month comes up some time in the year '77, is that correct, so far?

MS. WILLIAMS: That's correct.

MR. BLAKE: My question being, does the Department notify him in writing that one of his applications has been accepted some time before his renewal month comes up? How is he to know if in fact one of the three applications has been accepted?

MS. WILLIAMS: He will know it if none of it was accepted, because his money will be sent back to him with a notification that his application was acceptable, because they were taking, or whatever the reason. As far as notifying which one was selected, I believe we will not do that until your registration renewal

time comes up, during the time which will be set in the proposed regulation. At that time the slogan combination will be indicated, is that right, Jerry?

MR. CLYSDALE: That's correct.

MR. BLAKE: So if he doesn't get his money back, all he knows is that one of the three has been accepted, he doesn't know which one, is that correct?

MS. WILLIAMS: That's correct.

MR. BLAKE: Then the motor vehicle number 60, you are asking that he notify the registrar no earlier than 60 days, nor before nor later than the 15th day of the month preceding the month in which the renewal notice for the vehicle is mailed. How is he to notify exactly, is there a form that he is to use to notify the Motor Vehicle that he has applied for a personalized plate, or will this be something in writing and to whom does he make this notification?

MR. CLYSDALE: Mr. Hearing Examiner, Mr. Blake, this reservation date and notification in writing is five years down the pipe, in other words, you're notifying us of your intent to have that plate reissued in 1981, I believe it is, to you, with that same combination on it. You don't have to do this on an annual basis, that was not the intent. Since it's a five year plate, you can get it in 1977, it's good for five years and you have to notify us 60 days in advance of your

renewal month in 1981 that you wish to retain the plate and have it remanufactured. I would assume that at that point in time you would send in your form again and your $50 and say I want ABC, 123, or whatever you want and then that would constitute your reservation.

MR. BLAKE: I'm sorry, I'm referring to the very initial issue, in other words, he applies on November 15th, his renewal month is September, which is like nine months down the road. Does he then have to send you notification previous to September?

MR. CLYSDALE: No.

MR. BLAKE: He does not?

MR. CLYSDALE: This reservation is for 1981, not for this time. Your original application, your $50 reserves that plate and constitutes notification to us that you want that plate. We will then, when your renewal month comes up, automatically send it out, probably to the nearest deputy registrar, we will send the physical plates to the deputy, we will send you a notice that your personalized plate is residing at the deputy registrar, go exchange for your existing plates.

MR. BLAKE: If he applies on November 15th with his $50 and his nothing, he can therefore assume that the Department has handled all the paperwork, and therefore on his September renewal month he will automatically receive his plate,

there is nothing further that that individual has to do?

MR. CLYSDALE: Yes. There is nothing officially that he has to do, nothing contemplated. He could obviously call us and find out. We are contemplating forming a special unit to handle these types of plates and they would have the information, a general call would get him at least initial contact he needs to be transferred to the right unit.

MR. BLAKE: Thank you.

MR. SELTZER: Yes, sir.

MR. LUEKE: Mr. Examiner, I am Dick Lueke of the State Patrol, I have a relatively minor question, but I thought I should pose it for what it's worth. Motor Vehicle 59, paragraph B, the wording is essentially geared to the issuing the 1978 plate which is understandable, however, since these regulations presumably will be in effect over an extended period of time and some persons might in the year 1979 or 1980 apply for personal plates for the first time, I wonder if the language shouldn't just identify that an application can be made in the subsequent year, after 1978.

MR. SELTZER: What rule number are you referring to?

MR. LUEKE: Motor Vehicle 59B, particularly the sentence, it states in the event the expiration month of the applicant vehicle does

not permit the immediate issuance of the personalized plate, the application shall be held by the Division until the applicant's 1978 vehicle registration can be renewed. I am thinking in terms of someone making his first application in the year 1980, for example. It's a minor thing, I only brought it up for what it's worth.

MS. WILLIAMS: Mr. Seltzer, I think that is really clear. Major Lueke, Motor Vehicle 59 refers to initial issue, and Motor Vehicle 60 talks about reservation dates for the next plate issue, as it says, for the next plate year, here are the things you do to reserve your plate, 60 days before, et cetera.

MR. LUEKE: I see, then as I understand it, if a person does not apply for 1978 plates, he'll have to wait five years?

MS. WILLIAMS: I see your point, all right.

MR. SELTZER: I believe that can be clarified rather than put in a specific year number, we can talk about date of issuance. Again, I believe that during the time period that the record remains open, the Department may wish to make a submission to the Hearing Examiner based on some recommendations that were made today. That is the reason for the public hearing to get the public's viewpoint and get public suggestions. Of course, the Department, or yourself, are free to make suggestions to me until such time as the

record closes and all those suggestions will be taken into consideration.

MR. WATNE: I believe actually there should be no problem on that point, Major Lueke, because the sentence talks about the situation where it does not permit immediate issuance. Anybody coming in, say 1979, would have immediate issuance under this regulation, so there should be no particular problem having to wait for some later date.

MR. SELTZER: Any further questions? Yes, sir?

MR. WEBSTER: Is this the statement or question period?

MR. SELTZER: We will go into that as soon as the agency has completed its case. Counsel, have you completed your case in chief?

MR. WATNE: Yes, we have.

MR. SELTZER: At this time, I would call upon anybody from the audience who wishes to come forth and make statements or offer direct testimony. Sir, would you like to come forward at this time?

MR. WEBSTER: Could I remain here in my place?

MR. SELTZER: Yes. May I swear you in?

JOHN WEBSTER,

after having been first duly sworn by the Hearing Examiner, testified as follows:

MR. SELTZER: You can either stay up here or remain at your seat.

MR. WEBSTER: I have some notes here, Mr. Examiner, so I might as well just remain at the desk here. I have just one or two additional matters to comment on, my name is John Webster, and I have previously given my address. I think that most of the things that I was about to say have already been thought of by the staff here and I am glad that they have thought very carefully because it makes things much simpler. There is one thing I would like to comment on which I foresee as a possible problem later on in the issuance of these plates. I'm assuming that from what has been said here the intention of the Department would be to use the graphic format for all new personalized plates, since I assume that's what is being used in the manufacture right now, is that correct?

MS. WILLIAMS: That's correct.

MR. WEBSTER: So there will be no problem there. It has been a problem in some states, and possibly it could be here, that when we get to the point where license plates are to be changed either five years or whatever the life

of them may be, a previous director of Motor Vehicles has said it would be a terrible thing to have to call the prison or the supplier and have them change the color on the roller colors, this is the press which embosses the color. He said couldn't there be some system we could use to spare the supplier that problem of having to stop the press from using the current manufacturer for the following year, whatever it is, and have to change the color, clean the coller and go back to the other color just to make a personalized plate. I would like to comment here that there is an easier way around that which has been used in the State of Texas and I would commend it for consideration either in this document we are talking about or for future procedures, and that is simply make it a procedure as Texas does, that when the supplier whoever it is, switches over to the next year, whatever that may be in the new colors, then on the personalized plates, and any others that are made will be of that new color. It works beautiful in Texas and they are very pleased to have the next year's colors on their new plate. As long as they are paying for a special service, it makes it easier for the roller collers not to have to be cleaned, I would suggest that as a possibility for the Department to consider, as I say, either now, or when the time comes. That would remove that objection which at one time was thought to be a point against having

personalized plates.

The reason I asked the question in a previous go around, having to do with hyphens and whether they are not considered characters is that in some states such as Vermont, and New Hampshire, the hyphen is considered to be a part of the license plate and I think it is wise, as the staff has indicated here, that the hyphen be omitted as far as the computer is concerned, and as far as law enforcement is concerned, unless someone feels otherwise. In other words, A hyphen B hyphen C, is still ABC, as far as the owner or as far as the highway and police departments are concerned. It would not be necessary to dictate that hyphen or any other punctuation unless somebody wants to and it would not lead to any ambiguity.

I believe that the Department here is in possession of a number of sample application forms from other states. I happen to have one from Michigan in front of me, I would like to suggest that there is something on there that would help, if the Department sees fit to do so. They have a series of six boxes in which the applicant may inscribe what he wants and for placing where he wants a space, they use a diagonal slash mark to indicate where the space is to go, even though the slash mark will not appear on the plate. That might make it easier for an applicant to indicate where he wants things

put. I commend that as a possibility not necessarily to go in the rules unless it is felt desirable. I also suggest in view of what we have said here that the forbidden classes, that is to say the one which would duplicate the existing series, such as trucks, trailers, or anything else, may well be enumerated on the application form itself for the benefit of not only applicants who don't understand the system, but possibly some outlying registrars who may not have the latest word. It will be difficult in some cases from what we have said here for people to apprehend that ABC and 123 is wrong and that ABC1 and ABC12 and ABC23 are okay so long as they don't get bigger than two numerical digits following the three alphabetical digits. As we said here, it has been shown in other states that three initials followed or not by a single digit or more digits proves to be very popular because what it does is to eliminate the conflict which otherwise would keep anybody but one person having any seven initials. There are lots of people named Joe, there are lots of people named Tom, or Sal or whatever name you want to choose and there are many organizations with the same initials, governing them, like FOE for the Fraternal Order of Eagles. If you will permit them to use the additional digit of numbers, you will make it possible for many more people to use those things without eliminating any one party. I think it

would also be helpful on your application form, if it's appropriate, to list not only the ones that are not permissible, but perhaps set some examples showing what is permissible and how they should be done. Again, I am referring to the Michigan form which I believe the Department has in its files, if not, I can make one available.

I don't believe there should be any problem here as far as the regulations are concerned in regard to Motor Vehicle 54A which refers to the prescribing of obscene or immoral plates. In most cases, I think it's pretty obvious that 99 percent of the applicants would not want to embarrass their families or friends by having something wrong on it, and as for any idiot friends who would proceed to do that, anyway, there are a few of course, the more obvious ones are easily screened out. There is a question which has been raised in other states, what about foreign languages. That brings up still another problem, what about English words which are perfectly acceptable as we have them, but which in foreign languages may mean something quite different. I don't happen to speak Dutch, but I understand there are some perfectly good English words which in Dutch language are mild cuss words. I don't think we need to get into that because in many cases the number of persons who speak the foreign language is extremely limited, relatively speaking and for those who do understand, I would assume

they would have long since failed to be shocked by the equivalencies between our language and their own. Again, I don't feel that there has to be any problem.

I'm informed that California has as many as 12 or 15 people doing nothing but screening possible obscene combinations or those which would be objectionable, I don't think you really need to be that concerned because somebody knows a language or a particular word in Hindustani or Tamil or Tagalog or some obscure dialect which is not spoken by many Minnesotans, it substantially reduces the number who would possibly be offended, so I think I would not worry too much. What you can spot in most cases is going to remove 99 percent of them anyway.

I don't know whether under these existing rules and regulations the registrar has the power to revoke plates which may later be discovered to be objectionable to some small minority. One question that was raised in another state is whether the initials JAP were objectionable to Japanese Americans origin and it turned out the man's name was James Arthur Peterson and he felt that he should be able to use his own name on the car. In another case, there was a Japanese car that was manufactured in Japan and the owner felt there was nothing wrong by characterizing it that way. There again, I think that's someplace you have to draw the line and say that things are

acceptable and submitted in good faith and it should probably be accepted that way.

I think, Mr. Hearing Examiner, that's all with the exception of one thing, as regards to the color question to go back for just a minute, one thing that might be considered is that we currently have in Minnesota at least three color combinations running and somebody might feel is it okay to have more than one set of color combinations in effect at any one time, because of the fact that the personalized plates might be the 1981 or '82 colors in the final year of the '77 season if it's a five year plate. I guess the answer is that since we have multiple colors in Minnesota and always have had for years back, including truck plates, passenger plates, and dealer plates and tax exempt plates, that the fact that there is a different color running around in the street does not really amount to much of a problem. At least, we have lived with it all these years and I think that the distinctive truck plates go back into the 1920's, perhaps farther. So I think that concludes this and I would like to express my appreciation for the amount of work which the staff has put into this, they have covered just about everything possible, although, I am sure there are some things that will surprise all of us that will come up, but I'm relieved to see that most of the things we thought might be a question have already been taken care

of, and I think they will work out well. Thank you.

MR. SELTZER: Does the agency have any questions of this witness?

MS. WILLIAMS: No, we don't, but I would like to thank Mr. Webster, he is always helpful with the Division of Motor Vehicles, thinking way ahead of us many times. I've taken notes from his comments and they will certainly be considered.

MR. SELTZER: Is there anybody from the audience who would like to ask questions of the witness? Is there anyone else who would like to give testimony this morning? Officer, may I swear you in?

RICHARD LUEKE,

after having been first duly sworn by the Hearing Examiner, testified as follows:

MR. LUEKE: I am Major Richard Lueke, representing the State Patrol. Mr. Examiner, on behalf of the State Patrol, I would like to say that we have no objection to the personalized license plate laws and rules. We would ask only that an effort be made to keep the system as simple as possible and as free of ambiguities as might be accomplished, for example, Mr. Rippentrop brought up the problem of putting a personalized

plate on a vehicle which has already been registered and sold as a used car. We would urge that a rule specifically requiring the surrender of, the immediate surrender of that normal type passenger registration at that time.

MR. SELTZER: At what time specifically?

MR. LUEKE: At the time that the personalized plate is put on that vehicle.

MR. SELTZER: Thank you, Major. Does anybody have any questions of the Major?

MS. WILLIAMS: Major Lueke, don't we handle that when we request the surrender of the existing Minnesota registration plates be one of three items required in order to transfer the personalized plates onto the other vehicle?

MR. LUEKE: I read it the other way, I'm sorry, I might be in error. Okay, surrender of any of the existing Minnesota registration plates. I would have to agree, I believe that point is covered.

MR. SELTZER: Thank you, Major. Is there anyone else this morning who would like to offer any direct testimony? I'll indicate for the record that nobody wishes to offer any further direct testimony. The record in this matter will stay open until September 28th of this year. Again, anybody that submits anything with regard to these proposed regulations up to and including September 28th will be considered by me, anything received after the 28th will not be

considered by me. At the close of the record, I will write a report and submit my report to the Department. The Department will then make its own independent determination of how to act upon the regulations.

Are there any questions as to how we are going to proceed up to and including the time of the close of the record?

MR. WEBSTER: Mr. Examiner, you asked a question perhaps I made a statement awhile back that perhaps requires an answer, maybe it doesn't. The Examiner said is it true that the purpose of Chapter 245 is to raise revenue.

MR. SELTZER: I indicated was that one purpose.

MR. WEBSTER: The reason I question that is that that was never the primary purpose, although one of the staff commented it was a selling point in the hearing before the Legislature, which I attended. The principal reason for the passage of the bill for an Act was to render a service which would be useful to Minnesotans as well as other states which are about 45 in number now and as a feature of that the motorist would pay the cost of the service and, incidentally, a fee which would be somewhat in excess of that which would benefit and raise revenue for the State of Minnesota. The exact amount of that has never been established, although, there is testimony in the hearings that we might possibly expect a

response of the order of between one percent and three percent of the total passenger cars registration. Whether that is achieved is a question of how the product will sell at the high price the Legislature has established and there was testimony to the effect that maybe the law of diminishing returns by charging a higher price, fewer people would respond, thereby, limiting the number of customers, so to speak, and thereby possibly reducing the amount of revenue over what it would be if it were sold at a cheaper price. This has remained to be established, and we will all watch that with interest to see what the final result is.

MR. SELTZER: Thank you. I want to ask the agency to submit to the Hearing Examiner before the close of the record, any proposed changes that they wish to make based on some of the testimony that has been offered today. I am not suggesting that the agency, in fact, should propose any changes or clarifications, but should they wish to do so, I would appreciate receiving so before the close of the record, and in fact, as early as possible. Again, questions will be submitted by Friday from the representative of the Automobile Dealership in the area, that will be submitted to the Department by Friday and the Department will respond to those questions by September 15th, in addition to which if the Department has any objection to specific questions which are proposed,

they will immediately notify me by telephone and I will rule over the telephone as to whether or not those questions have to be answered.

Are there any other questions? If not, then we will adjourn this hearing today and I will remind you once again the record will remain open through September 28th of this year. I wish to thank you all for your participation.

* * *

NOTARY-REPORTER'S CERTIFICATE

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

I, JOHN T. MURPHY, a Notary Public within and for the County of Ramsey, State of Minnesota do hereby certify;

That said proceedings consisting of 68 pages of typewritten material, was taken down by me in Stenotype at the time and place therein named, and was thereafter reduced to typewriting under my direction.

I further certify that I am neither related to any of the parties or counsel nor interested in the outcome of the action;

WITNESS MY HAND AND SEAL THIS 16TH DAY OF SEPTEMBER, 1976.

JOHN T. MURPHY
Notary Public
Ramsey County, Minnesota

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Joel Watne
Special Assistant Attorney General
Highway Department

December 29, 1976

- MoVeh 50, 51, 52, 53, 54, 55, 56, 57, 58
59, 60, 61

STATE OF MINNESOTA

BEFORE EDWARD G. NOVAK

COUNTY OF RAMSEY

COMMISSIONER OF PUBLIC SAFETY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Governing the manufacture and distribution of personalized license plates for motor vehicles.

FINDINGS OF FACT

The above-entitled matter came on for hearing before William Seltzer, Office of Hearing Examiners of the State of Minnesota on the 8th day of September, 1976, at 9:00 a.m. in Room B9 Highway Building, St. Paul, Minnesota, after proper notice required by M.S. 1974, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, the Hearing Examiner has made his findings, attached. Upon review of the Hearing Examiner's findings and the evidence and statements submitted by interested parties, I find the following:

The findings of fact, conclusions, and, with one exception noted below, the recommendations of the hearing examiner dated November 10, 1976, are hereby adopted as the findings of fact of the Commissioner of Public Safety.

The hearing examiner, in his report on Page 4, recommended that proposed Minn. Reg. MoVeh 53(E) set forth all of the specific prefixes or configurations which would be disallowed on personalized plates due to their use in specially designated vehicle registration numbering systems. Rather than list such disallowed prefixes or configurations in these rules they will be set forth on the application for personalized plates. This method is most reasonable and effective for purposes of informing the public.

In all other respects the rules are being adopted as proposed or, where applicable, as recommended changed by the hearing examiner.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

Edward G. Novak

COMMISSIONER OF PUBLIC SAFETY

11-24-76

DATE

STATE OF MINNESOTA

BEFORE EDWARD G. NOVAK

COUNTY OF RAMSEY

COMMISSIONER OF PUBLIC SAFETY

In the matter of the Proposed Adoption of Rules of the State Department of Public Safety Governing the manufacture and distribution of personalized license plates for motor vehicles.

ORDER ADOPTING RULES

The above-entitled matter came on for hearing before William Seltzer, Office of Hearing Examiners of the State of Minnesota on the 8th day of September, 1976, at 9:00 a.m. in Room B9 Highway Building, St. Paul, Minnesota, after proper notice required by M.S. 1974, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rules;

NOW, THEREFORE, IT IS ORDERED that these rules identified as MoVeh 50-69 PERSONALIZED PLATES: APPLICATIONS, ISSUANCE, TRANSFER AND REFUNDS are adopted this 24th day of Nov., 1976, pursuant to authority vested in me by M.S. 1974, Section 299A.01, subdivision 6.

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

Edward G Novak
COMMISSIONER OF PUBLIC SAFETY

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE STATE DEPARTMENT OF PUBLIC SAFETY

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE DEPARTMENT OF PUBLIC SAFETY RELATING TO THE MANUFACTURE AND DISTRIBUTION OF PERSONALIZED LICENSE PLATES FOR MOTOR VEHICLES.	FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATIONS

The hearing in the above-entitled matter was convened by Hearing Examiner William Seltzer of the Minnesota Office of Hearing Examiners at 9:05 a.m. on September 8, 1976, in the State Highway Department Building, St. Paul, Minnesota. The public hearing was adjourned September 8, 1976, and the record remained open through September 28, 1976, for the submission of written materials. All interested persons, representatives of individuals or associations, and other interested groups present at the hearing had an opportunity to present evidence and question witnesses.

The Hearing Examiner, upon all records, files, evidence, arguments of counsel, and written comments filed before the close of the record, hereby makes and issues the following Findings of Fact, Conclusions and Recommendations.

FINDINGS OF FACT

1. That the Order for Hearing issued July 19, 1976, was in all respects proper in form, contents, execution and filing.

2. That due, timely and adequate Notice of Hearing as ordered by the Minnesota Department of Public Safety (hereinafter sometimes referred to as "Agency") was properly served and filed on July 20, 1976. All other relevant substantive and procedural requirements of statute or rule have been complied with for the purposes of establishing jurisdiction over the subject matter in order to proceed to public hearing pursuant to statute.

3. That the authority of the Commissioner of Public Safety to promulgate and adopt rules and regulations for personalized license plates is contained in Minn. Stat. §168.12, Subd. 2(a) 1976.

4. That the herein subject proposed rules are set forth in Department of Public Safety Exhibit G.

5. That in 1975, the legislature established a program to provide motor vehicle operators the option of displaying license plates which have a personally determined combination of letters and numbers upon payment of a $50 fee in addition to the usual registration taxes and fees. The within subject proposed rules specify the various requirements and procedures that will govern the format and content of such personalized license plates, the review of applications, the proration of fees, refunds, and the production and distribution of personalized license plates.

Such a program will allow Minnesotans to decide what name, word or other combination of letters or numbers shall be printed on their license plates, a program available in many other states throughout the country. The program will also provide extra state revenue, on a voluntary basis.

6. That proposed Minn. Regs. MoVeh 50 (the "purpose" clause) and MoVeh 51 (the "scope" clause) are reasonable and necessary to establish the general background information necessary for a better understanding of the regulations pertaining to personalized license plates.

There were no valid objections or suggested changes to proposed Minn. Regs. MoVeh 50 and 51 in the record of the within proceeding.

7. That Proposed Minn. Reg. MoVeh 52, and subparts (the "definition" clause) is reasonable and necessary to define key words in the proposed regulations. The definitions are reasonable and consistent with statute.

There were no valid objections or suggested changes to proposed Minn. Reg. 52 in the record of the within proceeding.

8. That with the exceptions noted herein, proposed Minn. Reg. MoVeh 53 is reasonable and necessary to designate the format and content of personalized license plates.

MoVeh 53(A)(1) and (2) specify the characters which can be displayed upon a personalized license plate. Upper-case letters of the English alphabet are permissible as are Arabic numbers 0 through 9.

MoVeh 53(A)(3) as originally proposed would have permitted the printing of a personalized license plate with "hyphens" only. A

license plate containing only hyphens would obviously create difficult problems for law enforcement purposes. To solve this problem, the Agency proposed to eliminate proposed Minn. Reg. MoVeh 53(A)(3) which, in turn, requires amending proposed Minn. Reg. MoVeh 53(G) as originally proposed to the following:

> An applicant may elect to group characters by spacing and/or hyphenation. A space or hyphen is not a character. The maximum number of characters is six. Combinations of characters, spaces and/or hyphens totalling more than seven will be rejected. No more than one space or hyphen is permitted between adjoining characters. If the total of characters, spaces and/or hyphens is less than seven, the Division shall have the right to center the characters, spaces and/or hyphens on the plate.

It is specifically found that the deletion of proposed Minn. Reg. MoVeh 53(A)(3) is reasonable and necessary as is the hereinabove suggested wording change to proposed Minn. Reg. MoVeh 53(G).

MoVeh 53(B) specifies the color; character size; type style; reflective material; and other specifications for personalized license plates.

MoVeh 53(C) specifies that all personalized license plates shall have at least one character.

MoVeh 53(D) specifies that only permitted characters will be allowed on personalized license plates.

MoVeh 53(F) specifies that no license plate used for other type of vehicles (such as certain classes of trucks) will be recalled from storage and destroyed for the purpose of utilizing the same combination of characters on a personalized license plate.

MoVeh 53(G) specifies that a space is not a character but that an applicant may elect to group characters by spacing; that the maximum number of characters allowable is six; combination of characters and spaces totalling more than seven will be rejected; no more than one space will be permitted between adjoining characters; and, if the total of characters and spaces is less than seven, the Agency shall have the right to center the characters and spaces on the personalized license plate.

MoVeh 53(E) is designed to prevent the issuance of a personalized license plate which duplicates any other current non-personalized license plate. Additionally, the Rule states that: "No personalized license plate shall be a duplicate of any plate in a

numbering [or letter] system used by the Division." In support of this Rule, the Agency offered the following justification:

> The division currently licenses twenty classes of vehicles. Each class and its associated distinctive number system is based on a statutory distinction as to the tax rate, type of use, type of vehicle, or area of use.
>
> The division, in designing its manual and computer processing and plate numbering system, has capitalized on this fact and has incorporated these ideas into its everyday operations. For example, the division has specified that any plate beginning with "U" is a Minnesota urban class truck. This plate prefix automatically indicates that the vehicle is registered on an empty-weight basis for 1976 and has a limited operating zone.

The above-quoted Agency justification when read in conjunction with proposed MoVeh 53(E) results in the conclusion that the Agency will not issue personalized license plates beginning with the letter "U" notwithstanding the fact that no other license plates exist with the same combination of additional characters. However, the public may not be aware of the license plate vehicle classification identification system used by the Agency. Therefore, proposed Minn. Reg. MoVeh 53(E) should set forth the specific prefixes preserved for other uses and which will not be allowed as a prefix on a personalized license plate.

9. That proposed Minn. Reg. MoVeh 54(A) and (C) are reasonable and necessary. Proposed Rule MoVeh 54 pertains to the "application, contents and review" of applications for a personalized license plate.

MoVeh 54(A) provides that an applicant may submit up to three choices of character combinations, in order of preference, for a personalized license plate; that the Agency will determine whether or not the requested characters have already been issued and whether or not the requested characters are of an obscene, indecent, or immoral nature. If no license plate as requested can be issued because the requested characters have already been issued to another individual or because the requested characters are found to be improper, the application will be cancelled and all appropriate fees refunded. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 54(A) in the record of the within proceeding.

Proposed Rule Minn. Reg. MoVeh 54(C) is reasonable and necessary to secure the desirable result of reserving for an applicant only those combination of characters which have been paid for and approved

for manufacture. This Rule eliminates the possibility of an applicant reserving certain combinations merely to prevent others from having them when such applicant does not have the intention of actually paying for such personalized license plates. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 54(C) in the record of the within proceeding.

That with respect to proposed Minn. Reg. MoVeh 54B, the proposed Rule reads as follows:

> "If the application is for a vehicle owned by more than one person, all owners must sign."

In support of that Rule, the Agency stated:

> "An Attorney General opinion (1188) made on August 8, 1946, states that all owners' signatures are required to permit transfer of registration of a vehicle. Based on this opinion, applications for duplicate titles, tax refunds and other transactions must also have the signatures of all owners in order for the Division to complete the transaction. Because personalized plates are a highly individualized matter, we propose that all owners approve the plate slogan choice by signing the publication. This way, we expect to prevent discord which could result if only one owner were to determine the slogan."

The reasons given in support of proposed Minn. Reg. MoVeh 54(B) are sufficient to carry the burden which the Agency has in order to support a Finding by this Hearing Examiner that the Rule is reasonable and necessary and should be recommended for adoption. However, the assertion that the proposal is designed to "prevent owner discord" is based on mere supposition. In fact, proposed MoVeh 54(B) could encourage owner discord in situations where co-owners of a vehicle assigned a personalized license plate sell their vehicle and each co-owner purchases a separate vehicle. In this hypothetical situation, which co-owner will have the right to retain the personalized license plate? Discord could erupt among co-owners as would be the case in the supposition expressed by the Agency in its reasoning for requesting the proposed rule.

10. That proposed Minn. Reg. MoVeh 55(A) is reasonable and necessary to establish replacement and refund procedures in the event of the loss or theft of an issued personalized license plate.

The proposed Rule maintains the integrity of the uniqueness of each personalized license plate. The Rule avoids duplication but allows the applicant to apply for a <u>new</u> personalized plate after the

theft or loss of his prior personalized license plate. Such new, reissued personalized license plate will not bear the same combination of characters as the license plate originally issued. Furthermore, if an applicant does not wish a personalized license plate to be reissued, he is entitled to an appropriate refund. If a new combination of characters is issued, the applicant can indicate whether he wishes to reserve the replacement combination of characters or original combination of characters for subsequent years of issuance. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 55(A) in the record of the within proceeding.

That proposed Minn. Reg. MoVeh 55(B) is reasonable and necessary. This rule becomes applicable in the event that personalized license plates become defaced. Should such event occur, the owner may turn in both plates and receive identical duplicates since that combination could not be illegally used on another vehicle. Appropriate duplicate plate fees will have to be paid. If only one defaced plate is surrendered, it would be possible that the missing plate would be used on another vehicle; therefore, identical replacement plates would not be issued. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 55(B) in the record of the within proceeding.

11. That proposed Minn. Reg. MoVeh 56 is reasonable and necessary to establish the fees to be paid for personalized license plates. The personalized license plate fee is, in essence, $10 a year (payable in five year sums). Accordingly, the owner of a new vehicle purchased in 1979 would pay $30, to cover the years (1979, 1980 and 1981) remaining in the plate-issue time span. The same procedure would apply to new residents. It is specifically found that the fee is reasonable.

There being no statutory prohibition to the contrary, it is found that the Agency is reasonable in its belief that it was not the intent of the legislature to restrict the purchase of personalized license plates to only the first year of issue of a (five year) multi-year plate. Also, the Agency is found to be reasonable in its belief that it was not the intent of the legislature to require the payment of the $50 fee in each of the years of plate life, but that it was the

legislature's intent that a $10 per year fee be established for a five year license plate duration. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 56 in the record of the within proceeding.

12. That proposed Minn. Reg. MoVeh 57 and its subparts are reasonable and necessary to delineate refund procedures.

Under proposed Minn. Reg. MoVeh 57(A), a straightforward refund procedure is provided in instances where personalized license plates will no longer be used by the applicant due to theft, loss or voluntary surrender.

Proposed Minn. Reg. MoVeh 57(B) logically provides that when there is a voluntary surrender of a personalized license plate, the ensuing refund will be considered a waiver of reservation of that particular personalized license plate and its combination of characters. When a refund is made due to the loss or theft of personalized license plate, a personalized license plate bearing the same combination of characters cannot be reissued for the period of plate issue, but the original owner will have the opportunity to apply for the original combination again at the time of renewal for the next plate issue.

Proposed Minn. Reg. MoVeh 57(C) provides that if an owner elects to retain a personalized license plate but does not use the vehicle to which it is assigned, such owner will not be allowed a refund simply because the vehicle to which it is assigned is not used. In such cases, the licene plate owner should be expected to pay for the privilege of retaining and reserving the particular combination of characters appearing on the personalized plate. Naturally, such owner may always elect to surrender the personalized license plate and receive an appropriate refund.

There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 57 and its subparts in the record of the within proceeding.

13. That proposed Minn. Reg. MoVeh 58(A), (B) and (C) are reasonable and necessary to set forth procedures and guidelines for the assignment of personalized license plates. Unlike the general type of license plate issued, personalized license plates will not normally be transferred with a vehicle when the vehicle is sold.

With respect to proposed Minn. Reg. MoVeh 58(A), Minnesota Law provides that vehicle license plates are assigned to a specific vehicle and stay with that vehicle. MoVeh 58(A) acknowledges the law and specifies that personalized plates are assigned to a vehicle owner for exclusive use on a particular motor vehicle.

MoVeh 58(B) makes provision for an owner to transfer his personalized license plates (from the vehicle to which they were previously assigned) to another vehicle if he purchases a different vehicle during the five-year plate issue. Written notification of such transfer of personalized license plates must be made to the Registrar and payment of a prescribed fee for such transfer is set forth in the proposed Rule. Additionally, the vehicle to which the personalized license plates are to be transferred must be a vehicle registered in the State of Minnesota and the license plates, if any, which were previously assigned to such vehicle must be surrendered.

MoVeh 58(C) concerns a situation wherein an owner sells a vehicle to which personalized license plates have been assigned and the owner elects to transfer the personalized license plates along with the vehicle. Under such circumstances, the owner (transferor) relinquishes his rights to reserve the particular combination of characters on the personalized license plate being transferred. The transferee will automatically have the right to reserve the particular combination of characters on the personalized license plates and the right to elect to receive any refunds that may be due by reason of surrender or other action concerning the personalized license plates.

Department of Public Safety composite Exhibit H was introduced at the public hearing. Through composite Exhibit H, the Agency amended its original proposed rules as noticed for hearing. The amendment in composite Exhibit H adds an additional section to MoVeh 58:

> MoVeh 58(D) If an owner sells a vehicle to which personalized plates have been assigned and elects to retain the personalized plates, it shall be the responsibility of the owner to obtain regular passenger car plates before the vehicle is sold.

Basically, the justification given for MoVeh 58(D) by the Agency was set forth in composite Exhibit H as follows:

> The Division had previously intended to permit the personalized plates assigned to a vehicle to be displayed by attaching them to the vehicle over the regular passenger car plates. However, it appears that M.S. 169.79 makes it a violation to obstruct the view of a valid number plate. This section also implies that only one set of valid plates can be displayed on a vehicle at one time. Further, to have two pairs of valid plates on a vehicle at one time would lead to confusion on the part of the public and law enforcement and open the door to potential abuses.

The proposed Rule [MoVeh 58(D)] appears clear and understandable at face value. The Rule appears to designate the party (as between transferor and transferee of a vehicle) that is responsible for purchasing a general license plate to be transferred with the vehicle when the seller elects to retain his personalized license plate. Under the proposed Rule, it appears as though the transferor has the responsibility to obtain a license plate to be transferred with the vehicle.

Notwithstanding the apparent value and intent of MoVeh 58(D), the justification given by the Agency is inconsistent with the apparent intent of the Rule. The justification presupposes a problem wherein two sets of license plates are assigned to the same vehicle. Such justification or explanation by the Agency does not explain the proposed Rule and seems out of harmony with the Rule as proposed. Therefore, the Hearing Examiner specifically finds that the intent of MoVeh 58(D) is unclear and that the Agency did not affirmatively establish either the reasonableness or need for the proposed Rule. Thus, the Hearing Examiner cannot recommend adoption of proposed Minn. Reg. MoVeh 58(D).

Discussion of proposed Minn. Reg. MoVeh 58(D) brings to light another issue. Specifically, the proposed regulations make no apparent provision for the surrender of valid non-personalized license plates when an individual applies for and receives personalized license plates except under proposed Minn. Reg. MoVeh 55(B) (cases where personalized license plates have been defaced) and at proposed Minn. Reg. MoVeh 58(B)(3) (instances where the owner of personalized license plates wishes to transfer them to another vehicle he owns and such other vehicle already has existing license plates). The Agency may wish to consider proposing a rule to cover this topic.

14. That a number of cogent questions concerning proposed Minn. Reg. MoVeh 58 were raised by the Minnesota Automobile Dealers

Association. The questions were raised by the Association's letter of September 9, 1976, to the Hearing Examiner. A copy of said letter was transmitted to the Agency. The Agency's response to the questions posed by the Association were received by the Hearing Examiner on September 15, 1976. Both the Association's letter of September 9, 1976, and the Agency's response received September 15, 1976, are attached to this Report and made a part hereof. The Agency response adequately answers the questions raised by the Association.

15. That proposed Minn. Reg. MoVeh 59(A) concerning "INITIAL ISSUE" is reasonable and necessary in order to establish a definite date (November 15, 1976) before which no applications for personalized license plates will be accepted. The date of November 15, 1976, coincides with the effective date of the enabling legislation. [Minn. Stat. § 168.12, Subd. 2(a)].

That proposed Minn. Reg. MoVeh 59(B) is reasonable and necessary.

Issue was raised that Minn. Reg. MoVeh 59(B) is contrary to statute because it has the effect of delaying issuance of the initial issue of a personalized license plate in certain instances. However, the delay is for the purpose of issuing a personalized license plate at the time an applicant is entitled to receive a new plate issue. Without this Rule, the Agency would be forced to issue certain personalized license plates with the 1977 specifications (the first year of a new plate issue) before the new 1977 issue would otherwise be released. Such procedure is contraindicated for law enforcement purposes. Another approach to the problem would have been for the Agency to issue certain personalized license plates for the short period of time (months only) remaining until an applicant replaces his current license plates with the new 1977 issue license plates. However, such a procedure would be administratively cumbersome and result in a situation where an applicant would receive a personalized license plate for as short a period of time as three or four months and then have to reapply for another personalized license plate bearing the 1977 specifications.

Issue was raised that Minn. Reg. MoVeh 59(B) would deprive an applicant of the use of a personalized license plate contrary to Minn. Stat. § 168.12, subd. 2(a), which reads in part as follows:

"...any applicant may apply for personalized license plates. Upon compliance with all laws of this state ...and upon payment of a fee of $50...the Registrar shall issue to the applicant personalized license plates....". [Emphasis added]

Issue raised is that the statute does not allow for delays in issuing a personalized license plate. [See submission to the record of Mr. John A. S. Webster]. The issues raised therein are not meritorious. The statute in question is effective as of November 15, 1976, for the year 1977 and subsequent years. Nothing in the statute states that the Registrar shall "immediately" issue a personalized license plate. Such interpretation would result in the unrealistic situation wherein an applicant could validly apply for personalized license plates and pay the appropriate fee and be handed the personalized plates. Obviously, such a procedure is impossible. First of all, the manufacturing plant must be in operation. Furthermore, time is necessary before the requested personalized license plates could be manufactured. The mandate in the statute is not that the Registrar must immediately issue personalized license plates but that "an applicant may apply for personalized license plates" as of the effective date of the statute. In fact, the statute is not strictly self enacting. The statute mandates that "the commissioner of public safety shall adopt rules and regulations...regulating the issuance and transfer of such personalized license plates."

In all other respects, proposed Minn. Reg. MoVeh 59(B) is reasonable and necessary.

Proposed Minn. Reg. 59(C), which specifies that no personalized license plate shall be manufactured using the 1974 plate specifications, is reasonable and necessary. If the 1974 license plate specifications were allowed, the Agency would be issuing two distinctly different license plates (1974 red-orange and 1978 blue graphic plates) for use at the same time. Law enforcement agencies prefer one distinctive plate for each state so that instant recognition is possible.

16. That proposed Minn. Reg. MoVeh 60 concerning "reservations dates" is reasonable and necessary. This Rule conforms with the mandate in Minnesota Statutes § 168.12, Subd. 2(a) that "when an applicant once has obtained personalized plates, he shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if he makes application for them at least 30 days prior to

the first date on which his registration can be renewed." MoVeh 60 has the additional beneficial provision that such notificiation cannot be made more than 60 days prior to the first date on which the registration can be renewed. These time constraints allow for reasonable ease of administering the program while allowing applicants to reserve their personalized license plates. There were no valid objections or suggested changes to proposed Minn. Reg. MoVeh 60 in the record of the within proceeding.

17. That proposed Minn. Reg. MoVeh 61 is reasonable and necessary to establish a procedure for logging applications to ensure a first-come-first-serve basis. Because applications will be accepted at all 145 Deputy Register offices as well as at the Central Office for the public's convenience, the same combination of characters may be requested by more than one applicant on the same day, and even, possibly at the same time. To determine which application should be considered first, MoVeh 61 establishes a random sequential numbering system similar to the traditional "drawing in the case of ties", in fairness to applicants. There were no objections or suggested changes in proposed Minn. Reg. MoVeh 61 in the record of the within proceeding.

18. That MoVeh Rules No. 62 through 69 are appropriately being reserved for future use.

19. That the Minnesota State Patrol testified that they have no objection to the proposed rules (Tr. p. 64).

CONCLUSIONS

A. That the Department of Public Safety duly acquired and now has jurisdiction over the subject proceeding.

B. That all relevant legal and procedural requirements of statute and regulation have been properly complied with.

C. That the Department of Public Safety has statutory authority to promulgate and adopt the subject rules and regulations.

D. That such proposed rules and regulations are required pursuant to Minn. Stat. § 168.12, subd. 2(a)(1976).

RECOMMENDATIONS

IT IS HEREBY RESPECTFULLY RECOMMENDED that the Minnesota State Department of Public Safety adopt the proposed rules as finally submitted by the State Department of Public Safety with the following

exceptions, to wit:

That proposed Rule MoVeh 53(A)(3) should not be adopted and proposed Rule MoVeh 53(G) should be adopted with the language changes as appear hereinabove at Paragraph No. 8. In this fashion, the Department of Public Safety will eliminate the possible situation wherein a license plate could be requested with hyphens only.

That consideration be given to adoption of MoVeh 53(E) with provisions setting forth the specific prefixes preserved for other uses and which will not be allowed as a prefix on a personalized license plate.

Proposed Rule MoVeh 58(D) should not be adopted for the reasons stated above at Paragraph No. 13.

Dated: November 10, 1976.

William Seltzer

WILLIAM SELTZER
Hearing Examiner