

HF503 - 0 - Reintegration License

Chief Author: **Dave Pinto**
 Committee: **Transportation Finance**
 Date Completed: **1/27/2023 3:19:59 PM**
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	25	101	101	101	101
Restrict Misc. Special Revenue	-	89	355	355	355	355
Total	-	114	456	456	456	456
Biennial Total			570			912

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 1/27/2023 3:19:59 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	25	101	101	101	101
Restrict Misc. Special Revenue	-	89	355	355	355	355
Total	-	114	456	456	456	456
	Biennial Total		570		912	912
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-	-
Expenditures	-	24	-	-	-	-
Absorbed Costs	-	(24)	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-		-	-
2 - Revenues, Transfers In*						
General Fund	-	(25)	(101)	(101)	(101)	(101)
Restrict Misc. Special Revenue	-	(89)	(355)	(355)	(355)	(355)
Total	-	(114)	(456)	(456)	(456)	(456)
	Biennial Total		(570)		(912)	(912)

Bill Description

Creates a reintegration license for certain individuals released from custody whose driver's licenses have been suspended, revoked, canceled or denied for reasons listed in section 171.30, 169.792, or 169.797.

Assumptions

Driver and Vehicle Services

Assume this would be similar to the Limited License but at no cost for those eligible.

Assume reintegration license will be non-REAL ID compliant.

Assume applicants must demonstrate identity as any other noncompliant credential applicant. Assume applicant must show proof document demonstrating the applicant served 180 or more consecutive days of confinement in a qualifying facility and that lists the date of release.

Assume Department of Public Safety Driver and Vehicle Services Division (DVS) may not charge driver's license fees, including filing fees and reinstatement fees. Assume Driver's License Agents (DLAs) may not charge filing fees for reintegration license transactions.

Assume eligible individuals under this provision would otherwise be required to pay a reinstatement fee of either \$30 or \$250 fee plus a \$430 surcharge, depending on the basis for the loss of the driving privilege. Assume DVS has no method to require payment of this reinstatement fee once the license has been reinstated.

Per committee hearing held on March 31, 2022, each year 5,000 Minnesotans are released from confinement. Assume 24% of individuals would be eligible for the reintegration license, for a total of 1200 (5,000 x 24% = 1,200). Assume DVS cannot estimate which of these individuals would be subject to which reinstatement fees, or whether they would be subject to multiple fees.

Assume 50% or 600, eligible individuals under this provision would otherwise be required to pay the single \$30 reinstatement fee under Minnesota Statutes section 171.29, subd. 2(a). ($1200 \div 2 = 600$) Assume the \$30 reinstatement fee is deposited into the Drivers Services Operating Account (DSOA).

Assume revenue loss of \$18,000 to the DSOA in lost \$30 reinstatement fees. ($600 \times \$30 = \$18,000$)

Assume 50% or 600 of eligible individuals would otherwise be required to pay the \$250 fee plus a \$430 surcharge under Minnesota Statutes section 171.29, subd. 2(b). ($1200 \div 2 = 600$)

Revenue from the \$250 reinstatement fee is distributed as follows per Minnesota Statutes section 171.29 subd. 2(b)(1)-(4):

- 20% (\$50) to the DSOA
- 67% (\$167.50) to the General Fund
- 8% (\$20) to the Bureau of Criminal Apprehension (BCA) account
- 5% (\$12.50) to the vehicle forfeiture account

Assume revenue loss of \$30,000 to the DSOA in lost portion of the \$250 reinstatement fee. ($600 \times \$50 = \$30,000$)

Assume revenue loss of \$100,500 to the General Fund in lost portion of the \$250 reinstatement fee. ($600 \times \$167.50 = \$100,500$)

Assume revenue loss of \$12,000 to the BCA account in lost portion of the \$250 reinstatement fee. ($600 \times \$20 = \$12,000$)

Assume revenue loss of \$7,500 to the vehicle forfeiture account in lost portion of the \$250 reinstatement fee. ($600 \times \$12.50 = \$7,500$)

Revenue from the \$430 surcharge is distributed as follows per Minnesota Statutes section 171.29 subd. 2(b) and (c):

- \$50 to the traumatic brain injury and spinal cord injury account
- \$380 to the remote electronic-alcohol monitoring program account

Assume revenue loss of \$30,000 to the traumatic brain injury and spinal cord injury account lost portion of the \$430 surcharge ($600 \times \$50 = \$30,000$)

Assume revenue loss of \$228,000 to the remote electronic-alcohol monitoring program account in lost portion of the \$430 surcharge. ($600 \times \$380 = \$228,000$)

Assume eligible individuals had a standard driver's license. Assume all application fees, including filing fees and tech surcharge, are waived.

Assume a person applying for a reintegration license is subject to all other requirements such as examination or Ignition Interlock Device Program (IIDP) enrollment.

Assume revenue loss of \$2,700 to the Driver and Vehicle Services Technology Account for waived technology surcharge fees. ($\$2.25 \text{ tech surcharge} \times 1,200 = \$2,700$)

Assume revenue loss of \$25,200 to the Driver Services Operating Account in driver's license fees. ($\$21 \text{ standard driver's license fee} \times 1,200 \text{ applicants} = \$25,200$)

Assume 13% of driver's license applications are conducted at DVS exam stations with the other 87% conducted at DLA offices. Assume 156 applications occur at a DVS exam station. ($1200 \times 13\% = 156$)

Assume revenue loss of \$1,248 to the Driver Services Operating Account in waived filing fees. ($156 \times \$8 \text{ filing fee} = \$1,248$)

Assume potential fiscal impact from not collecting reinstatement and driver license (DL) fees in the amount of \$455,148.

Assume 120 hours MNDRIIVE programming to create capacity to issue reintegration license with correct expiration date and waive fees at a total cost of \$24,000 (120 hours of programming x \$200 per hour = \$24,000). Assume DVS can absorb this \$24,000 in the DVS technology account (special revenue fund).

Assume an effective date of April 1, 2024. Assume 25% of eligible individuals will apply in the last 3 months of FY24.

Minnesota State Patrol (MSP)

Any driver's license queries through the BCA will retain their existing format and will simply return a new code for the reintegration type. Assume no updates to MSP's system are needed.

Assume revenue loss of \$7,500 to the vehicle forfeiture account in lost portion of the \$250 reinstatement fee. (600 x \$12.50 = \$7,500)

Bureau of Criminal Apprehension

DVS assumes eligible individuals under this provision would otherwise be required to pay a reinstatement fee of either \$30 or \$250 fee plus a \$430 surcharge, depending on the basis for the loss of the driving privilege. Assume DVS has no method to require payment of this reinstatement fee once the license has been reinstated.

Additionally, DVS assumes, per committee hearing testimony held on March 31, 2022, that each year 5,000 Minnesotans are released from confinement/incarceration with 24% of those, or 1200 (5,000 x 24% = 1,200), assumed to be eligible for the reintegration license. DVS cannot estimate the number of these individuals subject to each of the potential reinstatement fees.

DVS assumes that 50%, or 600, of eligible individuals would otherwise be required to pay the \$250 fee plus a \$430 surcharge under Minnesota Statutes section 171.29, subd. 2(b). (1200 ÷ 2 = 600)

Revenue from the \$250 reinstatement fee is distributed as follows per Minnesota Statutes section 171.29 subd. 2(b)(1)-(4):

- 20% (\$50) to the DSOA
- 67% (\$167.50) to the General Fund
- 8% (\$20) to the Bureau of Criminal Apprehension (BCA) account
- 5% (\$12.50) to the vehicle forfeiture account

The BCA receives 8% of the \$250.00 fee. Therefore, any changes to overall funding from reinstatements, will impact the 8% percent appropriated.

Twenty percent of said fee is placed the Undercover Buy Fund/Victim-Witness Protection Funds (authorized under Minn. Stat. 299C.065), which the BCA oversees. The BCA is not a recipient of any of the funds in this account. The recipients of each of the accounts are local law enforcement agencies such as Sheriffs' Offices and Police Departments. Therefore, if funds were to run low in the account, the BCA would be unable to provide financial assistance and said entities would be impacted by any potential funding shortages.

The remaining 80% of the funds deposited into the BCA account are used for laboratory costs.

Based on DVS estimates, the BCA will lose approximately \$12,000 per year total, with a loss of \$9,600 of lab funding and \$2,400 per year of funding for the Undercover Buy Fund/Victim-Witness Protection funds.

Expenditure and/or Revenue Formula

FY24 Expenditures

120 hours of programming x \$200 per hour = \$24,000 (absorbed)

FY24 Revenue

$\$2.25 \times 1,200 \times 25\% = \675 in lost revenue for tech surcharge fee

Total Revenue loss Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account FY24 = \$675

Restricted Misc. Special Revenue Fund Driver Services Operating Account

600 applicants x \$30 reinstatement fee x 25% = (\$4,500) lost revenue

600 applicants x \$50 reinstatement fees x 25% = (\$7,500) lost revenue

\$21 standard driver's license fee x 1,200 applicants x 25% = (\$6,300) revenue loss driver's license fees

156 x \$8 filing fee x 25% = (\$312) revenue loss filing fees

Total Revenue loss Restricted Misc. Special Revenue Fund Driver Services Operating Account FY24 = (\$18,612)

General Fund

600 applicants x \$167.50 reinstatement fees x 25% = (\$25,125) lost revenue

Total Revenue Loss General Fund FY24= (\$25,125)

BCA Account

600 applicants x \$20 reinstatement fees x 25% = (\$3,000) lost revenue

Total Revenue Loss BCA Account FY24 = (\$3,000)

Vehicle Forfeiture Account

600 applicants x \$12.50 reinstatement fees x 25% = (\$1,875) lost revenue

Total Revenue Loss Vehicle Forfeiture Account FY24 = (\$1,875)

Traumatic Brain Injury and Spinal Cord Injury Account

600 applicants x \$50 surcharge x 25% = (\$7,500) lost revenue

Total Revenue Loss Traumatic Brain Injury and Spinal Cord Injury Account FY24 = (\$7,500)

Remote Electronic-Alcohol Monitoring Program Account

600 applicants x \$380 surcharge x 25% = (\$57,000) lost revenue

Total Revenue Loss Remote Electronic-Alcohol Monitoring Program Account FY24 = (\$57,000)

FY25 and Beyond

Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account

$\$2.25 \times 1,200 = \$2,700$ in lost revenue for tech surcharge fee

Total Revenue loss Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account FY24 = \$2,700

Restricted Misc. Special Revenue Fund Driver Services Operating Account

600 applicants x \$30 reinstatement fee = (\$18,000) lost revenue

600 applicants x \$50 reinstatement fees = (\$30,000) lost revenue

\$21 standard driver's license fee x 1,200 applicants = (\$25,200) revenue loss driver's license fees

156 x \$8 filing fee = (\$1,248) revenue loss filing fees

Total Revenue loss Restricted Misc. Special Revenue Fund Driver Services Operating Account FY25 = (\$74,448)

General Fund

600 applicants x \$167.50 reinstatement fees = (\$100,500) lost revenue

Total Revenue Loss General Fund FY25= (\$100,500)

BCA Account

600 applicants x \$20 reinstatement fees = (\$12,000) lost revenue

Total Revenue Loss BCA Account FY25 = (\$12,000)

Vehicle Forfeiture Account

600 applicants x \$12.50 reinstatement fees = (\$7,500) lost revenue

Total Revenue Loss Vehicle Forfeiture Account FY25 = (\$7,500)

Traumatic Brain Injury and Spinal Cord Injury Account

600 applicants x \$50 surcharge = (\$30,000) lost revenue

Total Revenue Loss Traumatic Brain Injury and Spinal Cord Injury Account FY25 = (\$30,000)

Remote Electronic-Alcohol Monitoring Program Account

600 applicants x \$380 surcharge = (\$228,000) lost revenue

Total Revenue Loss Remote Electronic-Alcohol Monitoring Program Account FY25 = (\$228,000)

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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