

HF1244 - 0 - "Denial of Driveway Permit Appeal Process"

Chief Author: **John Petersburg**
 Committee: **Transportation Finance**
 Date Completed: **02/22/2017**
 Agency: **Transportation 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	FY2017	FY2018	FY2019	FY2020	FY2021
Trunk Highway	-	33	33	33	33	33
Total	-	33	33	33	33	33
Biennial Total			66			66

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Stewart McMullan Date: 2/22/2017 7:49:56 PM
 Phone: 651 201-8026 Email: stewart.mcmullan@state.mn.us

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	FY2017	FY2018	FY2019	FY2020	FY2021	
Trunk Highway	-	33	33	33	33	33
Total	-	33	33	33	33	33
Biennial Total			66			66
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway	-	33	33	33	33	33
Total	-	33	33	33	33	33
Biennial Total			66			66
2 - Revenues, Transfers In*						
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

House File 1244 would establish a process for owners who have a driveway access permit denied or revoked, under Minnesota Statute (M.S.) 160.18 subd. 3, to appeal the decision through a concise, expedited process. A hearing would be conducted by an Administrative Law Judge (ALJ), and both the applicant and the Minnesota Department of Transportation (MnDOT) would have an opportunity to submit information. The ALJ would keep a record of all information presented at the hearing, and would make a recommendation to the Commissioner, who then shall make a written decision.

Assumptions

An average of 7 access permits are denied each year and it is assumed that all 7 will go through the appeal hearing process specified in this bill.

Each appeal hearing would require staff time from MnDOT’s Office of Chief Counsel as well as costs charged by an ALJ. The amount of effort for such a hearing, and the corresponding costs, can vary significantly on an individual basis. However, based on recent examples it is assumed each hearing would require an average of 20 hours of staff time from MnDOT’s Office of Chief Counsel. The blended average hourly wage rate for involved staff would be \$44/hour, plus an additional 50% added for overhead costs including fringe benefits. It is assumed that the ALJ work would average 10 hours at \$165/hour. The ALJ must maintain a transcript of the hearing. The cost to have a court reporter prepare a transcript is estimated to be approximately \$500.

There would also be staff time required from subject matter experts related to preparing for and attending the hearings. These staff would mostly be located in the specific district where the permit is located as well as the Office of Traffic, Safety, and Technology. Again, these costs would vary based on the specific circumstances and location, but on average would require 25 hours at an average hourly wage rate of \$35, plus an additional 50% added for overhead costs including fringe benefits, for each permit denial.

Expenditure and/or Revenue Formula

Subject matter expert staff time = \$35/hour + 50% overhead x 25 hours = \$1,312

MnDOT legal staff time = \$44/hour + 50% overhead x 20 hours = \$1,320

Administrative law judge = \$165/hour x 10 hours = \$1,650

Transcript cost - \$500

Costs per appeal = \$1,312 + \$1,320 + \$1,650 + \$500 = \$4,782

\$4,782 x 7 appeals/year = \$33,474 per year

These expenditures would occur annually in the Trunk Highway Fund beginning in fiscal year 2018

Long-Term Fiscal Considerations

These costs would continue in future years.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Transportation System Management (OTSM)
MnDOT Office of Land Management
MnDOT Office of Chief Counsel

Agency Contact:

Agency Fiscal Note Coordinator Signature: Lynn Poirier

Phone: 651 366-4869

Date: 2/21/2017 6:00:10 PM

Email: Lynn.Poirier@state.mn.us