

**HF305 - 0 - Deposit of Blackout Plate Revenue Modified**

Chief Author: **Jim Joy**  
 Committee: **Transportation Finance and Policy**  
 Date Completed: **2/13/2025 11:03:52 AM**  
 Lead Agency: **Public Safety Dept**  
 Other Agencies:  
     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	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue	-	8,000	8,000	8,000	8,000	8,000
<b>Transportation Dept</b>						
Highway Users Tax Distribution	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>State Total</b>						
Restrict Misc. Special Revenue	-	8,000	8,000	8,000	8,000	8,000
Highway Users Tax Distribution	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
<b>Public Safety Dept</b>					
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Transportation Dept</b>					
Highway Users Tax Distribution	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Lead 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:** 2/13/2025 11:03:52 AM  
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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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue	-	8,000	8,000	8,000	8,000	8,000
<b>Transportation Dept</b>						
Highway Users Tax Distribution	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Transportation Dept</b>						
Highway Users Tax Distribution	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Transportation Dept</b>						
<b>Highway Users Tax Distribution</b>						
Revenues	-	-	-	-	-	-
Transfers In	-	8,000	8,000	8,000	8,000	8,000
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

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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	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc. Special Revenue	-	8,000	8,000	8,000	8,000	8,000
<b>Total</b>	<b>-</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Biennial Total</b>			<b>16,000</b>		<b>16,000</b>	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:** 2/13/2025 11:03:22 AM  
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**State Cost (Savings) Calculation Details**

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Restrict Misc. Special Revenue	-	8,000	8,000	8,000	8,000	8,000
<b>Total</b>	<b>-</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Biennial Total</b>			<b>16,000</b>			<b>16,000</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>			<b>-</b>
<b>2 - Revenues, Transfers In*</b>						
Restrict Misc. Special Revenue	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Total</b>	<b>-</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>
<b>Biennial Total</b>			<b>(16,000)</b>			<b>(16,000)</b>

**Bill Description**

This bill proposes that the contribution fees collected from the Blackout plate be deposited into the highway user tax distribution fund (HUTD) instead of the driver and vehicle services operating account (DVSOA).

**Assumptions**

Blackout plates were made available to Minnesota residents beginning January 1, 2024. Based on figures from the end of calendar year 2024, there are approximate 256,000 vehicles registered with blackout plates. Diverting the blackout contribution fee from the DVSOA to the HUTD fund would result in an estimated revenue loss of \$8 million annually based on forecasted revenues in the DVSOA statement.

DVS systems would require minimal programming that would be covered by existing resources.

DVS would update website information and print materials related do the contribution fee so Deputy Registrars and Minnesota residents have the most up to date information. This would be a minimal cost covered with existing resources.

**Expenditure and/or Revenue Formula**

Revenue loss to DVSOA = \$8M annually

**Long-Term Fiscal Considerations**

Reduced revenue to the DVS operating account that supports the daily operations of DVS.

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Brian Awsumb

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 Agency: **Transportation Dept**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Highway Users Tax Distribution	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Total</b>	-	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>
<b>Biennial Total</b>			<b>(16,000)</b>		<b>(16,000)</b>	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Highway Users Tax Distribution	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**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:** 2/10/2025 3:08:10 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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
Highway Users Tax Distribution	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
<b>Total</b>	-	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>(8,000)</b>
<b>Biennial Total</b>			<b>(16,000)</b>		<b>(16,000)</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Highway Users Tax Distribution	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
Highway Users Tax Distribution						
Revenues	-	-	-	-	-	-
Transfers In	-	8,000	8,000	8,000	8,000	8,000
<b>Total</b>	-	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Biennial Total</b>			<b>16,000</b>		<b>16,000</b>	

**Bill Description**

This bill modifies the fund for deposit of revenue relating to blackout special license plates from the driver and vehicle services operating account to the Highway User Distribution (HUTD) fund.

This change is effective July 1, 2025.

**Assumptions**

The revenue from blackout special license plates is transferred to the Highway User Tax Distribution Fund. The Department of Public Safety (DPS) prepared an estimate of the increased revenue impact of this bill in their fiscal note. These impacts are shown in the table below, in 000's:

Fund	FY 2026	FY 2027	FY 2028	FY 2029
HUTD	8,000	8,000	8,000	8,000

Per the Minnesota State Constitution, Article XIV, revenues deposited in the HUTD fund are allocated to the Trunk Highway (TH), County State Aid Highway (CSAH), and Municipal State Aid Street (MSAS) Funds. Overall, the allocations are detailed in the table below:

Fund	Agency	Percentage	Overall Percentage of Taxes
Trunk Highway	MnDOT	62% of 95%	58.90%
County State Aid Highway	MnDOT	29% of 95% + 5%	32.55%
Municipal State Aid Street	MnDOT	9% of 95%	8.55%

**Expenditure and/or Revenue Formula**

Below is a summary of the revenue impacts by fund, in thousands. The HUTD revenues are shown as an increased transfer from the HUTD fund in the fiscal note system, and then as increased transfers to the TH, CSAH, and MSAS Funds

to reflect how these revenues actually flow between funds. Because the funds in CSAH and MSAS are statutorily appropriated, any changes in revenues also correspondingly change expenditures.

Fund	FY 2022	FY 2023	FY 2024	FY 2025
<b>HUTD</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
TH	4,712	4,712	4,712	4,712
CSAH	2,604	2,604	2,604	2,604
MSAS	684	684	684	684

**Long-Term Fiscal Considerations**

Changes in revenue would continue in future years.

**Local Fiscal Impact**

Changed HUTD revenues would change the amounts counties and cities receive for transportation projects in the CSAH and MSAS funds.

**References/Sources**

MN Department of Public Safety

MnDOT Office of Finance

**Agency Contact:**

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