

HF336 - 0 - Drivers' License Suspension and Reinstatement

Chief Author: **Jamie Becker-Finn**
 Committee: **Transportation Finance and Policy**
 Date Completed: **2/3/2021 11:39:22 AM**
 Lead Agency: **Public Safety Dept**
 Other Agencies:
 Supreme Court

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) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Public Safety Dept					
General Fund	-	324	324	324	324
Restrict Misc. Special Revenue	-	218	208	208	208
State Total					
General Fund	-	324	324	324	324
Restrict Misc. Special Revenue	-	218	208	208	208
Total	-	542	532	532	532
Biennial Total			1,074		1,064

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Public Safety Dept					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

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.

Per Supreme Court: This proposed legislation may have a fiscal impact as a result of loss of fines or fees. The reduction in revenue could not be determined due to a lack of data.

LBO Signature: Laura Cecko **Date:** 2/3/2021 11:39:22 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.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Public Safety Dept						
General Fund	-	324	324	324	324	324
Restrict Misc. Special Revenue	-	218	208	208	208	208
Total	-	542	532	532	532	532
	Biennial Total		1,074		1,064	1,064
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Public Safety Dept						
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue						
Expenditures	-	66	-	-	-	-
Absorbed Costs	-	(56)	-	-	-	-
Total	-	10	-	-	-	-
	Biennial Total		10		-	-
2 - Revenues, Transfers In*						
Public Safety Dept						
General Fund	-	(324)	(324)	(324)	(324)	(324)
Restrict Misc. Special Revenue	-	(208)	(208)	(208)	(208)	(208)
Total	-	(532)	(532)	(532)	(532)	(532)
	Biennial Total		(1,064)		(1,064)	(1,064)

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 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	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	324	324	324	324	324
Restrict Misc. Special Revenue	-	218	208	208	208	208
Total	-	542	532	532	532	532
Biennial Total			1,074			1,064

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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:** 2/3/2021 11:38:32 AM
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State Cost (Savings) Calculation Details

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Restrict Misc. Special Revenue	-	218	208	208	208	208
Total	-	542	532	532	532	532
Biennial Total			1,074		1,064	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue						
Expenditures	-	66	-	-	-	-
Absorbed Costs	-	(56)	-	-	-	-
Total	-	10	-	-	-	-
Biennial Total			10			-
2 - Revenues, Transfers In*						
General Fund	-	(324)	(324)	(324)	(324)	(324)
Restrict Misc. Special Revenue	-	(208)	(208)	(208)	(208)	(208)
Total	-	(532)	(532)	(532)	(532)	(532)
Biennial Total			(1,064)			(1,064)

Bill Description

This legislation will prohibit Driver and Vehicle Services (DVS) from suspending the driver's license of individuals for failure to appear in court or pay fines on petty misdemeanors; driving after suspension (DAS); and driving after revocation (DAR). DVS will be required to retroactively make eligible for reinstatement any individual whose privileges have been suspended based on 1) failure to appear (FTA) 2) a conviction for driving after suspension or revocation, 3) failure to pay (FTP) a fine or fee or 4) any combination of 1-3. It also requires DVS to provide an annual report with statistical data regarding the number of driver's licenses issued, suspended, revoked, and reinstated.

Assumptions

Assume an effective date of August 1, 2021. The required programming to the driver's licensing system must begin 7 weeks prior to the effective date.

Assume 280 programming hours are required at a rate of \$200/hour for a total of \$56,000 to include updates to decode changes based on updates to various statute language, remove FTA/FTP suspensions, remove sanctions/restraints, and generate required reports.

Assume programming costs will be absorbed in the Special Revenue Fund DVS Technology Account.

Assume the department will not suspend the driver's licenses of those who are convicted of driving after suspension (DAS) or driving after revocation (DAR). The current reinstatement fee is \$20 and is deposited in the Restricted Miscellaneous Special Revenue - Driver Services Operating Account.

Based on the 2019 calendar year, the DAS/DAR suspension reinstatement fees total \$888,420 (\$74,035 per month) or 44,421 DAS/DAR suspensions; however, of that amount, only \$207,880 was paid (10,394 suspensions) with the remaining \$680,540 in fees outstanding.

The department is a revenue based agency, while only 23.4% of DAS and DAR suspensions paid their reinstatement fee the department will lose an approximate \$207,880 annually (10,394 x \$20) in revenue FY23 and beyond.

Assume the department will not suspend the driver's licenses of those who fail to appear (FTA) in court for a petty misdemeanor citation or for driving after suspension or fail to pay (FTP) a fine or surcharge after being convicted of

violating a state law or ordinance of a political subdivision which regulates the operation or parking of a motor vehicle.

The current reinstatement fee for each is \$20 and is deposited in the general fund. Based on the 2019 calendar year, the FTA/FTP suspension reinstatement fees total \$1,992,740 (\$166,062 per month) or 99,637 FTA/FTP suspensions; however, only \$323,780 was paid, leaving the remaining \$1,668,960 in fees outstanding.

The reinstatement fees for FTA and FTPs are relatively new for the General Fund, there would be an approximate annual loss of revenue of \$323,780 to the general fund (16,189 x \$20) FY23 and beyond.

Assume by February 15 each year, DPS must issue an annual report to house and senate chairs and ranking minority members of committees with jurisdiction over public safety and transportation on the status of driver's licenses issued, suspended, and revoked. Report must also be published on the DPS website.

Assume the report must include the number of driver's licenses issued, suspended, and revoked as of January 1 of the year the report is submitted, broken down by county and type of suspension or revocation. The report must also include the number of driver's licenses suspended, revoked, and reinstated in each of the prior eight calendar years, indicating the type of suspension or revocation.

Assume the department is required to retroactively make eligible for reinstatement anyone suspended solely for FTA, FTP, or DAS/DAR and notification must be mailed to eligible individuals by December 1, 2021.

As of February 1, 2021, an estimated 215,197 driver's licenses are currently under suspension with a qualifying FTA, FTP, DAS, or DAR withdrawal; of these 215,197, only 19,172 record holders would qualify for retroactive reinstatement eligibility, which is an eligibility rate of 8.9%.

The department will need to notify these 19,172 individuals of reinstatement eligibility by December 1, 2021. The current metered postage rate is \$0.51 per envelope; to notify the 19,172 individuals it will cost DVS \$9,777.72 in postage.

Assume FastDS is able to provide required data beginning with calendar year 2019 but previous year statistics are not available and will be omitted.

Assume the department will have to withdraw from the Non-Resident Violators Compact in order to be in compliance with this passed legislation, assume to avoid withdrawal of the compact language is added to allow the department be able to take action on violations occurring in compliance with other jurisdictions.

Assume that language will be added to exclude administrative actions in instances involving commercial license holders and incidents that occurred in a commercial motor vehicle as these are regulated by Federal Motor Carrier Safety Administration (FMCSA) and will cause the department to be out of compliance with federal regulations.

Expenditure and/or Revenue Formula

FY22 Expenditures - Special Revenue Fund

DVS Technology Account:

One-time absorbed programming cost \$8,000 per week x 7 weeks = \$56,000

Driver Services Operating Account:

Postage to mail letters to eligible individuals (19,172 letters x \$0.51 postage) = \$9,778

Total Restricted Misc. Special Revenue Fund Expenditures FY22 = \$65,778

FY22 & beyond Revenues

General Fund

16,189 reinstatement fees x \$20 per reinstatement fee = (\$323,780)

Restricted Misc. Special Revenue Fund Driver Service Operating Account:

10,394 reinstatement fees x \$20 per reinstatement fee = (\$207,880)

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Alice Emma Corrie 651-201-7580

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Chief Author: **Jamie Becker-Finn**
 Committee: **Transportation Finance and Policy**
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 Agency: **Supreme Court**

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) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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.

This fiscal note has been reviewed and meets the LBO requirements for compliance with the Fiscal Note Uniform Standards and Procedures. However, this proposed legislation may have a fiscal impact as a result of loss of fines or fees. The reduction in revenue could not be determined due to a lack of data.

LBO Signature: Maren Bardal **Date:** 2/3/2021 11:23:33 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.

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

Section 1 amends Minn. Stat. § 169.92, subd. 2 to prohibit the commissioner of public safety from suspending drivers’ licenses when a person does not appear in court in compliance with a citation charging a petty misdemeanor offense or when charged with driving after suspension in violation of Minn. Stat. § 171.24, subd. 1.

Section 2 amends Minn. Stat. § 171.16, subd. 2 to prohibit the commissioner of public safety from suspending drivers’ licenses when drivers are only convicted of driving after suspension or driving after revocation in violation of Minn. Stat. § 171.24, subd. 1 or 2.

Section 3 amends Minn. Stat. § 171.16, subd. 3 to prohibit the commissioner of public safety from suspending drivers’ licenses for failing to pay court fines.

Section 4 amends Minn. Stat. § 171.18, subd. 1 to prohibit the commissioner of public safety from suspending drivers’ licenses upon conviction of driving after suspension or driving after revocation in violation of Minn. Stat. § 171.24, subd. 1 or 2.

Section 5 adds a new statute, section 171.325, requiring the commissioner of public safety and the state court administrator to submit annual reports by February 15.

Section 6 amends Minn. Stat. § 480.15 to add subdivision 8a requiring the state court administrator to collect, compile and report data as required in section 171.325.

Section 7 requires the commissioner of public safety to retroactively reinstate drivers’ licenses under certain instances, including licenses suspended or revoked due to: convictions for violation of section 171.24, subdivision 1 or 2; failure to pay under section 171.16, subdivision 3; failure to appear under section 169.92, subd. 4 as amended; or any combination thereof. This section is expressly effective August 1, 2021.

Assumptions

It is assumed that all sections in HF 336 are effective August 1, 2021.

It is assumed that the court is still required to notify the department of public safety (DPS) when a person fails to appear in response to a citation charging a violation of any law or ordinance relating to the operation or registration of motor vehicles as required under Minn. Stat. § 169.92, subd. 2, regardless of whether the charge is petty misdemeanor or a charge for driving after suspension or revocation in violation of Minn. Stat. § 171.24, subd. 1 or 2. Therefore, it is assumed that the Judicial Branch will not need to reprogram its failure to appear automation or to retrain court staff. The bill will require changes to the standard citation and the late notice. It is assumed that these costs can be absorbed by the Branch.

The courts will no longer be able to use suspension of driver's licenses for failing to appear as a tool to enforce compliance with citations issued for petty misdemeanor offenses regulating the operation and registration of motor vehicles or for driving after suspension offenses. A person's driver's license will continue to be suspended for failing to appear in court when charged with a misdemeanor violation, except charges for violation of Minn. Stat. § 171.24, subd. 1 or 2, unless DPS receives a notice from a court within 30 days that the driver has appeared in court.

The COVID-19 pandemic has significantly impacted case filings, convictions and suspensions for failing to appear and failing to pay. For example, there was a decrease in the number of failure to appear notices sent to DPS in 2020 of approximately 26% compared to the previous years; a decrease in the number of driving after suspension charges in 2020 of approximately 25% compared to previous years; and a decrease in the number of driving after suspension convictions in 2020 of approximately 28% compared to the previous years. It is assumed that 2020 is not a normal year and that use of the 2020 data would significantly lower the three year averages. Therefore, for purposes of this fiscal note, we are using 3 year averages for the calendar years 2017, 2018, and 2019.

The average number of cases in which the court sent failure to appear notices to DPS in years 2017-2019 was 98,657. Approximately 20% were paid in full within 30 days after the failure to appear notice was sent to DPS and did not result in suspension. Based on a three year average for 2017-2019, approximately 54% of the payable cases were misdemeanor cases and 46% were petty misdemeanor cases. It is unknown how many payable misdemeanor cases were for driving after suspension. It is assumed that licenses currently suspended for failing to appear in cases charging driving after suspension and petty misdemeanor offenses will no longer be suspended upon the payment of a reinstatement fee, regardless of whether the driver appeared in court or paid a fine instead of appearing in court.

On average there were 17,236 convictions for a charge of driving after suspension in years 2017-2019. It is unknown how many of these cases were as a result of failing to appear under Minn. Stat. § 169.92, subd. 2 or failing to pay under Minn. Stat. § 171.16, subd. 3. It is assumed that the number charges for driving after suspension will be reduced. It is unknown how many fewer convictions there will be as a result of this bill. The courts will no longer be able to use suspension of driver's licenses for failing to pay as a tool to enforce compliance with a court sentence. The average number of cases in which the courts sent failure to pay notices to DPS in years 2017-2019 was 8,129. It is assumed that licenses currently suspended for failing to pay court fines under section 171.16, subd. 3, will no longer be suspended upon the payment of a reinstatement fee, regardless of whether the driver paid the court fine or not.

It is assumed that most petty misdemeanor cases that would have been paid to prevent suspension of driver's licenses will be referred to the Department of Revenue for collection. The Department of Revenue assesses a collection fee of 20% of the debt referred to collections.

It is assumed there may be a delay and/or reduction in fine, surcharge and law library fee revenue collected in a fiscal year. The impact on the state general fund, special accounts, municipalities, and county law libraries is unknown and cannot reasonably be estimated.

The state court administrator's office collects the data necessary to complete its annual report. It is assumed that a report can be developed to produce the annual report and that costs associated with this development can be absorbed by the Branch. It is assumed that the annual report does not include data for charges for violations related to the operation of a motor vehicle if they are not included on the statewide payables list such as DWI charges, gross misdemeanor no proof of insurance charges, and ordinance violations.

Expenditure and/or Revenue Formula

This bill is not anticipated to have a significant impact on judge or staff need or the cost of reprogramming failure to appear automation.

It is expected that the bill will cause a delay and/or reduction in revenue to the state general fund and special accounts. The amount of the loss is unknown and cannot reasonably be estimated.

Long-Term Fiscal Considerations

Any loss of revenue to the state general fund will be permanent.

Local Fiscal Impact

It is anticipated that this bill will cause a delay and/or reduction in revenue to municipalities and the county law libraries.

References/Sources

Agency Contact:

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