

HF3785 - 0 - Motor. Bicycles and Electric Motorcycles Def. Mod.

Chief Author: **Tom Dippel**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/13/2026 1:53:28 PM**
 Lead Agency: **Public Safety Dept**
 Other Agencies:
 Natural Resources Dept 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
Natural Resources Dept						
Off Highway Motorcycle	-	-	(2)	(32)	(32)	
Public Safety Dept						
Restrict Misc Special Revenue	-	-	3	-	-	
State Total						
Off Highway Motorcycle	-	-	(2)	(32)	(32)	
Restrict Misc Special Revenue	-	-	3	-	-	
Total	-	-	1	(32)	(32)	
Biennial Total			1		(64)	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Natural Resources Dept					
Off Highway Motorcycle	-	-	-	-	-
Public Safety Dept					
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.

LBO Signature: Laura Cecko **Date:** 3/13/2026 1:53:28 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	FY2025	FY2026	FY2027	FY2028	FY2029
Natural Resources Dept					
Off Highway Motorcycle	-	-	(2)	(32)	(32)
Public Safety Dept					
Restrict Misc Special Revenue	-	-	3	-	-
Total	-	-	1	(32)	(32)
Biennial Total			1		(64)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Natural Resources Dept					
Off Highway Motorcycle	-	-	30	-	-
Public Safety Dept					
Restrict Misc Special Revenue					
Expenditures	-	-	21	-	-
Absorbed Costs	-	-	(18)	-	-
Total	-	-	33	-	-
Biennial Total			33		-
2 - Revenues, Transfers In*					
Natural Resources Dept					
Off Highway Motorcycle	-	-	32	32	32
Public Safety Dept					
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	32	32	32
Biennial Total			32		64

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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	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	3	-	-	-
Total	-	-	3	-	-	-
Biennial Total			3			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
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:** 3/13/2026 1:22:23 PM
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State Cost (Savings) Calculation Details

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Restrict Misc Special Revenue	-	-	3	-	-	-
Total	-	-	3	-	-	-
Biennial Total			3			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc Special Revenue						
Expenditures	-	-	21	-	-	-
Absorbed Costs	-	-	(18)	-	-	-
Total	-	-	3	-	-	-
Biennial Total			3			-
2 - Revenues, Transfers In*						
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The purpose of this is to add language to better define and regulate a variety of high-speed electric cycle devices collectively referred to as “E-Motos” which are not currently defined in statute.

This bill proposes modifying various definitions in Chapters 84, 168 & 169 relating to off-highway motorcycles, dual registration, motor vehicle, dealer licensing for motorized bicycles, micromobility devices, & motorized bicycles. It also creates new subdivisions in statutes 169.223 & 169.974 around electrical safety standards.

Assumptions

No system changes will be needed in MNDrive to accommodate the license type change as that is determined based on the application received prior to the information being entered into the system.

Multiple dealer-related forms, the dealer guide, several website pages, and virtual assistance information will need to be updated. These updates would take approximately 30 hours and will be absorbed by DVS through existing staff hours.

DVS will make necessary changes to the driver’s manual to reflect the changes in this proposal and translate the materials into the required languages.

The system changes needed to accommodate the bill proposal will require 80 hours of MNDrive programming by the state vendor to configure the system for changes related to off-highway motorcycle registration to accommodate the addition of the motorized bicycle registration type. For FY 2027, the vendor’s hourly rate is \$227.10 for a total programming cost of \$18,168 (80 hours x \$227.10 per hour = \$18,168). These costs would be absorbed through the existing vendor contract.

The DVS Dealer Unit will need to contact the existing dealer of motorized bicycle, boat, and snowmobile trailers (DSB) license holders to determine which dealers will need to apply for new licensing and advise of the licensing change and that they will be required to apply for a different license as soon as possible depending on the effective date of the

licensing change. This will require an undetermined amount of time and will be absorbed by DVS through existing Dealer Unit staff hours.

DVS is unable to determine a revenue impact related to collecting the higher license fee from DSB dealers who need to convert to a new license. The DSB license is an optional license, and DVS does not collect information on the products each dealer sells to determine how many dealers this would impact or how many additional retailers will need to obtain a new dealer license.

DVS will defer to the Dept. Of Commerce for communication with retailers over the need to apply for a license if they sell products that would require them to be licensed under the bill language.

Expenditure and/or Revenue Formula

FY27 Expenditures

\$2,500 Driver's Manual translation

MNDrive programming = \$18,168 (absorbed)

Long-Term Fiscal Considerations

Local Fiscal Impact

This bill will have a large annual impact on motorized bicycle dealers with high licensing and bond fees along with increased plate fees versus the current DSB license they are allowed to operate under.

References/Sources

Agency Contact: Pong Xiong

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 Committee: **Transportation Finance and Policy**
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 Agency: **Natural Resources 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
Off Highway Motorcycle	-	-	(2)	(32)	(32)	(32)
Total	-	-	(2)	(32)	(32)	(32)
Biennial Total			(2)		(64)	(64)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Off Highway Motorcycle	-	-	-	-	-
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: Jordan Peoples **Date:** 3/12/2026 9:44:01 PM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Off Highway Motorcycle	-	-	(2)	(32)	(32)
Total	-	-	(2)	(32)	(32)
Biennial Total			(2)		(64)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Off Highway Motorcycle	-	-	30	-	-
Total	-	-	30	-	-
Biennial Total			30		-
2 - Revenues, Transfers In*					
Off Highway Motorcycle	-	-	32	32	32
Total	-	-	32	32	32
Biennial Total			32		64

Bill Description

The bill updates and clarifies laws as they pertain to a variety of high-speed electric cycle devices collectively referred to as “E-Motos”. Depending on motor power and speed, these E-Motos can be classified and regulated as a legally defined off-highway motorcycle.

This bill makes updates to legal definitions and requirements for legal E-Motos and their dealers while explicitly stating that motorized devices not defined in Minnesota Statutes, section 169.011, are not allowed for use on public rights-of-way in Minnesota.

It also adds a requirement to certify motorized bicycles and motorcycles powered by an electric motor to electrical safety standards before sale.

Assumptions

The Department of Natural Resources (DNR) trail operation laws and guidelines would continue to be applied to all E-Motos and off-highway motorcycles (OHM) operating on state trails.

Existing signs at trailheads and crossings would have to be updated to include new requirements and permissions. Costs for new signs are typically \$20 per replacement, and DNR expects to replace approximately 200 signs for a total of \$4,000.

Communications and outreach materials including maps and regulation books would also have to be updated with new information. Coordination and education efforts would be needed to communicate changes in license requirements among OHM and ATV partner organizations. Trail atlas supplements will have to be drafted, printed, and distributed, in addition to other educational and safety materials. Costs for these efforts will include staff time from Parks and Trails subject matter experts as well as Creative Services unit experts, printing, materials, shipping, etc. DNR estimates \$20,000 for materials and publications updates, with approximately 80 hours needed from DNR staff for coordination and outreach.

Changes to the definition of Off-highway motorcycle in Minnesota Statutes section 84.787 result in a greater number of vehicles covered under the requirements to register with the DNR as an OHM. The DNR assumes a 10% increase in registrations and resulting revenues due to higher vehicle registrations. Based on the February forecast, revenues in the Off-Highway Motorcycle Account would increase from \$320,000 to \$352,000.

Increased use of electric off-highway motorcycles could lead to potentially higher maintenance and trail management costs. These vehicles often have higher torque capacities and can result in different impacts to trail surfaces, including soil

compaction, displacement, and erosion.

Expenditure and/or Revenue Formula

One-time costs for sign replacement, publications updates, and communications/outreach

Signs	\$4,000
Publications	\$20,000
Coordination/Outreach (\$79/hr x 80 hours)	\$6,320
Total	\$30,320

Revenues in the Off-Highway Motorcycle Account are estimated to increase \$32,000 each year based on 10% of license revenues in the February forecast.

Long-Term Fiscal Considerations

Trail upkeep and maintenance costs would continue as use increases.

Local Fiscal Impact

None.

References/Sources

None.

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Fiscal Note

2025-2026 Legislative Session

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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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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
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:** 3/9/2026 5:27:02 PM
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Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

The bill modifies language related to motorized bicycles and electric motorcycles to better establish which vehicles are allowed on public roads and what requirements must be met to sell such vehicles.

Assumptions

MnDOT assumes these definition changes will produce no tangible fiscal impact on agency operations.

Expenditure and/or Revenue Formula

MnDOT assumes no fiscal impact.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

MnDOT Office of Finance

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