

HF1204 - 0 - Minnesota 100 Club Special Motor Vehicle Plates

Chief Author: **Dan Wolgamott**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/16/2021 1:19:55 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	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	1	-	-	-	-
Total	-	1	-	-	-	-
Biennial Total			1			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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:** 3/16/2021 1:19:55 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.leg.mn

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
Restrict Misc. Special Revenue	-	1	-	-	-	-
Total	-	1	-	-	-	-
Biennial Total			1			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	2	1	1	1	1
Total	-	2	1	1	1	1
Biennial Total			3			2
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	1	1	1	1	1
Total	-	1	1	1	1	1
Biennial Total			2			2

Bill Description

This bill establishes Minnesota 100 Club special license plates or a single motorcycle plate. The commissioner must issue the plates to an applicant who is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle.

Assumptions

Assume the bill creates an additional special plate category.

Assume that a Vendor ID, accounting fund types, fee distribution rules, and a distribution date will be established. Assume that Vehicle Services will develop an annual contributions report and fund request letter format once the Vendor ID, fund types, and fee distribution rules have been established.

Assume the special plate is authorized for passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational motor vehicles.

Design costs for the standard size plates range from \$500-\$1,000. Plate design is done in consultation with representatives from the Minnesota 100 Club. Final design cost will depend on the complexity of the design and possible revisions. Note, the smaller size motorcycle plate makes many designs impractical.

The cost of special plates = \$12.50 (double)/\$11.00 (single) through Fiscal Year 2022. Beginning in Fiscal Year 2023 the cost of special plates = \$11.50 (double)/\$10.00 (single) -- Minnesota Statutes, section 168.12, subdivision 5.

Assume that since the request for the issuance of Minnesota 100 Club special license plates or a single motorcycle plate is exempt from Minnesota Statutes, section 168.1293, subd 2, DVS will not be required to conduct a marketing study to estimate the number of plates that will be requested.

Assume contributions must be deposited in the Minnesota 100 Club account, which is established in the special revenue fund. Assume the amount necessary for administering the funds is appropriated from the active transportation account to the commissioner of public safety. Assume the remaining funds are available for distribution to the Minnesota 100 Club.

Assume that Vehicle Services will be provided with contacts for the Minnesota 100 Club for consultation on fund distributions. Assume Vehicle Services will consult with these contacts annually once contribution amounts have been determined.

Assume 100 plates will be requested for Fiscal Year 2022, 2023, 2024, and 2025.

The current cost of license plate production for a pair of plates is:

Plate Pair with sheeting = \$6.39
Minnco Handling = \$0.09
Central Mail Postage Handling fee = \$0.18
Validation sticker = \$0.30
Mailing = \$3.65 (pair)

Total cost of plate production = \$10.61/pair of plates

Assume that 40 programming hours are required at a rate of \$200/hour for a total of \$8,000 to configure the new plate type and fee rules for registrations, configure new plate type for inventory, and configure related accounting fund types and fee-distribution rules. Assume programming costs will be absorbed in the current maintenance and support contract with FAST Enterprises at no additional cost to DVS.

Expenditure and/or Revenue Formula

Fiscal Year 2022

Expenditures

Restricted Miscellaneous Special Revenue Fund Vehicle Services Operating Account

Cost to design plate = \$1,000
Cost of plate production & mailing (100 plates x \$10.61/plate) = \$1,061

Total Special Revenue Fund Expenditures FY 2022 = \$2,061

Revenue

Restricted Miscellaneous Special Revenue Fund Vehicle Services Operating Account

100 plates x \$12.50 plate fee = \$1,250

Total Special Revenue Fund Revenues = \$1,250

Fiscal Year 2023 & beyond

Expenditures

Restricted Miscellaneous Special Revenue Fund Vehicle Services Operating Account

Cost of plate production & mailing (100 plates x \$10.61/plate) = \$1,061

Total Special Revenue Fund Expenditures FY 2023 & beyond = \$1,061

Revenue

Restricted Miscellaneous Special Revenue Fund Vehicle Services Operating Account

100 plates x \$11.50 plate fee = \$1,150

Total Special Revenue Fund Revenues = \$1,150

Long-Term Fiscal Considerations

The DVS budget is fee-based and must cover the cost of business through fees collected. Any increase in expenses may require increasing fees.

Local Fiscal Impact

References/Sources

Agency Contact: Alice Emma Corrie 651-201-7580

Agency Fiscal Note Coordinator Signature: Rita Wurm

Phone: 651-201-7016

Date: 3/16/2021 12:56:52 PM

Email: rita.wurm@state.mn.us