

HF3513 - 0 - Autonomous Vehicles Regulated

Chief Author: Jon Koznick
 Committee: Transportation Finance and Policy
 Date Completed: 3/4/2026 10:54:45 AM
 Lead Agency: Transportation Dept
 Other Agencies:
 Commerce Dept Public Safety 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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 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Commerce Dept						
General Fund	-	-	499	499	499	
Public Safety Dept						
General Fund	-	-	330	330	330	
Trunk Highway	-	-	152	130	130	
Transportation Dept						
Trunk Highway	-	-	-	-	-	-
State Total						
General Fund	-	-	829	829	829	
Trunk Highway	-	-	152	130	130	
Total	-	-	981	959	959	
Biennial Total			981			1,918

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Commerce Dept						
General Fund	-	-	3	3	3	
Public Safety Dept						
General Fund	-	-	1	1	1	
Trunk Highway	-	-	1	1	1	
Transportation Dept						
Trunk Highway	-	-	-	-	-	-
Total	-	-	5	5	5	

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:** 3/4/2026 10:54:45 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		FY2025	FY2026	FY2027	FY2028	FY2029
Commerce Dept						
General Fund	-	-	499	499	499	
Public Safety Dept						
General Fund	-	-	330	330	330	
Trunk Highway	-	-	152	130	130	
Transportation Dept						
Trunk Highway	-	-	-	-	-	
Total	-	-	981	959	959	
Biennial Total			981		1,918	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Commerce Dept						
General Fund	-	-	499	499	499	
Public Safety Dept						
General Fund	-	-	330	330	330	
Trunk Highway	-	-	152	130	130	
Transportation Dept						
Trunk Highway	-	-	-	-	-	
Expenditures	-	-	2	-	-	
Absorbed Costs	-	-	(2)	-	-	
Total	-	-	981	959	959	
Biennial Total			981		1,918	
2 - Revenues, Transfers In*						
Commerce Dept						
General Fund	-	-	-	-	-	
Public Safety Dept						
General Fund	-	-	-	-	-	
Trunk Highway	-	-	-	-	-	
Transportation Dept						
Trunk Highway	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

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Chief Author: **Jon Koznick**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/4/2026 10:54:45 AM**
 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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 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Trunk Highway	-	-	-	-	-
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.

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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
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Trunk Highway						
Expenditures	-	-	2	-	-	-
Absorbed Costs	-	-	(2)	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Trunk Highway	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill relates to autonomous vehicles. Sections 1-10 define terms.

Section 11 sets requirements for autonomous vehicle operation on public roads. The paragraphs of subdivision 1 are:

- b) If the automated driving system cannot perform the entire dynamic driving task the vehicle was designed for, the vehicle must achieve a minimal risk condition.
- c) The vehicle must be capable of complying with Minnesota laws and regulations.
- d) When required by federal law, the vehicle must have the required manufacturer's certification label.
- e) The vehicle owner or system operator must provide proof of financial responsibility.

Subdivision 2 paragraph (a) requires a person allowing an autonomous vehicle to operate on public roads to (2) maintain authorization from MnDOT to operate the vehicle without a human driver and (3) provide MnDOT and the Department of Public Safety with a first responder interaction plan. Paragraph (b) requires a person seeking to operate a vehicle without a human driver to submit an application to MnDOT. Paragraph (c) sets a 30 day deadline for MnDOT to process an application. Paragraph (d) notes that authorizations do not expire. Paragraph (e) requires an authorization holder to provide updates related to their authorization within 30 days of their occurrence. According to paragraph (f), the commissioner has the authority to suspend, revoke or cancel authorizations not in compliance with paragraph (e).

Subdivision 3 clarifies that section 11 does not restrict a human driver from operating, in part or in full, an autonomous vehicle.

Subdivision 4 designates authorization recipients and autonomous driving systems as those responsible for citations and penalties in case a vehicle does not comply with the law. The subdivision also points out that the automated driving system is considered licensed if the vehicle has been authorized.

Section 12 sets guidelines for post-collision actions.

Section 13 sets financial responsibility requirements. Paragraph (b) sets \$1,000,000 as minimum the combined single limit per occurrence for third-party liability.

Section 14 outlines rules for on-demand autonomous vehicle networks. Subdivision 1 sets requirements for networks that transport passengers or goods. Paragraph (b) prohibits network vehicles from accepting requests via traditional street hail. Paragraph (c) prohibits network vehicles from parking unlawfully on any public way for longer than necessary to pick up or drop off passengers. Paragraph (d) requires a network to disclose to the rider the fare or method. Paragraph (e) sets receipt requirements. Paragraph (f) requires a vehicle active on a network to display signage specified in the paragraph. Paragraph (g) requires that vehicles be inspected before being put into service on a network and annually thereafter. The network must maintain inspection documentation for three years. Paragraph (h) requires networks incapable of providing an accessible vehicle to direct the request to a provider of accessible vehicles, if available. Subdivision 2 clarifies that an on-demand autonomous vehicle network is not a common or ground carrier.

Section 15 covers commercial autonomous vehicles, requiring them to adhere to commercial vehicle laws and outlining width measurement guidelines.

Section 16 excuses vehicles designed to be operated exclusively without a driver from equipment laws that are irrelevant for an automated driving system.

Section 17 establishes that autonomous vehicles, automated driving systems, and on-demand autonomous vehicle networks are governed exclusively by state law. The section prohibits other governmental entities from imposing additional requirements, restrictions, licensures, permits, taxes, rates or fees.

Assumptions

MnDOT would need to develop an application and permitting process and would need to make some changes to its Motor Carrier Information System. The Motor Carrier Information System is a database which houses all the information about carriers that MnDOT regulates and issues permits to. MnDOT assumes that it would not need to establish a new database for the aims of this bill. The anticipated low number of companies interested in obtaining a permit also points to MnDOT's absorption of this bill's costs.

There would be one-time costs to develop the application as well as annual costs for staff time to gather required documents, request additional information needed for processing, and determine whether to grant or deny an application. MnDOT assumes that staff in the Office of Freight and Commercial Vehicle Operations (OFCVO) would complete this work. Developing the application would require 20 hours of staff time at a blended average hourly wage rate of \$48/hour, plus an additional 50% for overhead and fringe benefits. There would also be an annual cost for processing the permits. MnDOT assumes that this process would take five hours each year by a Customer Service Specialist Sr. at an hourly wage rate of \$27.02 per hour, plus an additional 50% for overhead and fringe benefits.

MnDOT assumes all costs would be absorbed.

Expenditure and/or Revenue Formula

Purpose	Time	Rate	FY27	FY28	FY29
Application Development	20 hrs	\$48/hr x 150%	\$1,440.00		
Permit Processing	5 hrs/yr	\$27.02/hr x 150%	\$202.65	\$202.65	\$202.65
Total (\$000s)			1.6	.2	.2
FTE's			0	0	0

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

MnDOT Office of Freight and Commercial Vehicle Operations

MnDOT Office of Operations

Agency Contact: Catherine Greene

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HF3513 - 0 - Autonomous Vehicles Regulated

Chief Author: **Jon Koznick**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/4/2026 10:54:45 AM**
 Agency: **Commerce 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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 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
General Fund	-	-	499	499	499
Total	-	-	499	499	499
Biennial Total			499		998

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	3	3	3
Total	-	-	3	3	3

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: Karl Palm **Date:** 3/4/2026 10:34:29 AM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028
					FY2029
General Fund	-	-	499	499	499
Total	-	-	499	499	499
Biennial Total			499		998
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	499	499	499
Total	-	-	499	499	499
Biennial Total			499		998
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

House File 3513 sets out the parameters for the operation of autonomous vehicles on the roads in Minnesota, including financial responsibility requirements. Both driverless autonomous vehicles and autonomous vehicles operated by humans are addressed. On-Demand autonomous vehicle networks are permitted and the requirements for such networks are set out.

Assumptions

Since fully autonomous vehicles are not yet available for purchase in the US, we are assuming that this legislation is limited to commercial policies at this point in time. This legislation addresses autonomous vehicles when they are a part of a transportation network. We can assume that insurance companies will make some revisions to their commercial automobile policies to address risks and other issues that are specific to autonomous vehicles. Since these are commercial policies, Minn. R. 2700.2460 2700.2480 exempts them from filing and approval requirements of Minn. Stat. §70A.06, subd. 2. Rates would also be exempt from filing.

Since the legislation specifically addresses transportation networks and the statute permits human drivers, it raises the possibility that the Department may receive a filing of a blanket policy to comply with the requirements of Minn. Stat. § 65B.472, subd. 2(d). These filings are submitted under Minn. Stat. § 62A.11, so both rates and forms are subject to prior approval.

From an enforcement perspective, damages/injuries caused by autonomous vehicles add a layer of complexity to each claim. Auto insurers may try to offset liability against the manufacturer of whatever autonomous technology/product fails resulting in damage/injuries. The Department assumes this will make investigating the auto insurer's handling of each claim involving an autonomous vehicle more complicated. There may also be form and rate issues that are scrutinized as autonomous vehicles become more common on our roadways. The Department assumes that that these complications will result in an increase in consumer complaints and related investigations, including needing additional feedback and review from legal services.

The Department could not find any data that indicates the severity and/or cost of accidents involving autonomous vehicles.

Expenditure and/or Revenue Formula

Commerce assumes that there will be some initial work (.5 FTE - Commerce Analyst 2 - 10L) to review new filings the first three years of the program.

The Department assumes that when considering potential form and rate issues and the increased complexity of claim investigations, the budget impact is estimated to be 2 FTEs (Investigator Sr - 14L) to address enforcement issues. Given the complexities and untested legal nature of this work, the Department also assumes an additional .5 FTE in legal support services (GC 1) to support the Department's enforcement work.

			FY26	FY27	FY28	FY29
Salary			0	315,278	315,278	315,278
Fringe			0	94,583	94,583	94,583
Other Personnel Related Costs			0	89,171	89,171	89,171
			0	499,032	499,032	499,032

Long-Term Fiscal Considerations

Estimated ongoing salary costs after the first three years are \$434,000.

Local Fiscal Impact

References/Sources

Agency Contact:

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Chief Author: **Jon Koznick**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/4/2026 10:54:45 AM**
 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	

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State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	330	330	330	
Trunk Highway	-	-	152	130	130	
Total	-	-	482	460	460	
Biennial Total			482	920		

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	1	1	1	
Trunk Highway	-	-	1	1	1	
Total	-	-	2	2	2	

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:** 3/2/2026 8:28:31 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

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					FY2029
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Trunk Highway	-	-	152	130	130
Total	-	-	482	460	460
Biennial Total			482		920
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	330	330	330
Trunk Highway	-	-	152	130	130
Total	-	-	482	460	460
Biennial Total			482		920
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description**Assumptions****Driver and Vehicle Services**

The bill does not change how a vehicle would be titled or registered; therefore, there is no fiscal impact to DVS.

Office of Traffic Safety

The Office of Traffic Safety (OTS) at the Department of Public Safety would assist in the development of a first responder interaction plan and conduct public education to stakeholders about it. OTS assumes the participation, coordination, and development of a comprehensive plan would require the effort of a full-time State Program Administrative Specialist Senior salary and fringe at \$130,000. Based on past efforts, OTS assumes the cost of a \$200,000 contract with an outside vendor for media and communication services. Costs are assumed in FY 2027 and each year thereafter as updating and communicating the plan would ongoing activities.

Minnesota State Patrol

The agency assumes there are areas within the proposed law that would require refinement in order to enforce or properly regulate the operational requirements of autonomous vehicles on Minnesota roadways. This includes Minn. Stat. 169.251, Subd. 1 (c) that requires autonomous vehicle operational compliance 'when reasonable to do so' rather than at all times unless exempted by the commissioner. Within Minn. Stat. 169.251, Subd. 3, the assumption can be made that a human driver does not have to comply with other applicable laws related to the operation and movement of motorized vehicles (e.g. they cannot be impaired); they are held to the same standard as other human drivers of non-autonomous motor vehicles. Clarity should be provided within Minn. Stat. 169.251, Subd. 4 (3), to address any criminal violations that occur

especially when/if a malfunction occurs within an autonomous vehicle that results in a crash. It is assumed that the driver would be considered liable for criminal charges.

It is also assumed that the Commissioner of Public Safety may delegate the review, verification, and approval of any autonomous vehicle applications to the Minnesota State Patrol which would require an additional non-sworn FTE. This FTE would also be responsible for any collaboration needed to develop and maintain the First Responder Interaction Plan outlined in Minn. Stat. 169.

Autonomous Vehicle Application Support Staff FTE = \$130,405 annually (with fringe) and one-time technology/computer costs = \$1,981

Furthermore, it is assumed that state troopers and commercial vehicle inspectors would become the subject matter experts for autonomous vehicle operations, regulations, and requirements on Minnesota roadways if this were statute were to be enacted. This would require robust training for agency personnel to safely and confidently interact with and investigate crashes involving autonomous vehicles. As a result, specific training sessions would be conducted at regional locations around the state outside of regular in-service dates to ensure timely dissemination of the new laws and familiarity with the vehicles. Approximately 750 Troopers and Commercial Vehicle Inspectors would attend eight (8) regional training sessions that would be 3-4 hours in length. These sessions would take place at Camp Ripley and within the metro area and would have 80-100 attendees for each.

- Metro-area Classroom Reservations = \$1460
- Metro-area Contract Hotel Lodging = \$11,000
- Camp Ripley Classroom Reservations = \$1065
- Camp Ripley Lodging = \$3900
- Logistics and Meals for those in travel status = \$2500
- Total: \$19,925

Expenditure and/or Revenue Formula

Office of Traffic Safety (General Fund)

Salary and fringe for 1 FTE State Program Administrative Specialist Senior = \$130,000

Professional/technical contract: \$200,000

Total: \$330,000 FY27 and beyond

Minnesota State Patrol (Trunk Highway)

Description	FTE	FY27	FY28	FY29
Non-Sworn Autonomous Veh Application Analyst \$130,405 annually (with fringe)	1.0	\$130,405	\$130,405	\$130,405
Technology set-up for new FTE		\$1,981	\$0	\$0
Training Sessions		\$19,925	\$0	\$0
Total	1.0	\$152,311	\$130,405	\$130,405

In thousands		152	130	130
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Long-Term Fiscal Considerations

The assumption can be made that the number of autonomous vehicles and registrations in the state will continue to increase into the future, therefore the number applications required under this proposal would also rise. In that way, the number on non-sworn positions required to review the applications may need to be increased. Training and hiring processes for these positions would also be required.

Local Fiscal Impact

Local law enforcement agencies must also comply with the new proposal and would likely need to attend training on autonomous vehicle operations, regulations, and investigations.

References/Sources

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