

Revised

Fiscal Note

2015-2016 Legislative Session

HF1669 - 0 - "Drive-away license plates governed"

Chief Author: **John Considine, Jr**
 Committee: **Transportation Policy and Finance**
 Date Completed: **03/23/2015**
 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) Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Highway Users Tax Distribution	-	(1)	(1)	(1)	(1)
Restrict Misc. Special Revenue	33	-	-	-	-
Total	33	(1)	(1)	(1)	(1)
Biennial Total			(2)		(2)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Highway Users Tax Distribution	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore Date: 3/23/2015 12:27:11 PM
 Phone: 651 259-3776 Email paul.b.moore@state.mn.us

Revised

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 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Highway Users Tax Distribution	-	(1)	(1)	(1)	(1)
Restrict Misc. Special Revenue	33	-	-	-	-
Total	33	(1)	(1)	(1)	(1)
Biennial Total			(2)		(2)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Highway Users Tax Distribution	-	-	-	-	-
Restrict Misc. Special Revenue	33	2	2	2	2
Total	33	2	2	2	2
Biennial Total			4		4
2 - Revenues, Transfers In*					
Highway Users Tax Distribution	-	1	1	1	1
Restrict Misc. Special Revenue	-	2	2	2	2
Total	-	3	3	3	3
Biennial Total			6		6

Bill Description

Modifies MS 168.053 to allow for two types of In-Transit plates: one plate that is not valid for use outside of Minnesota; and one plate that is valid inside and outside Minnesota but restricted in issue to Minnesota based businesses. Imposes a \$10 administrative fee for each In-Transit license application. The bill creates a new background check at both the state and federal levels for potential recipients of drive-away license plates. This background check includes wants and warrant information from both the state and federal repositories.

Assumptions

Driver and Vehicle Services (DVS):

Assume an In-Transit dealer license has a \$250 annual fee which includes one license plate.

Assume additional In-Transit plates have a \$5 cost.

Assume 140 current out-of-state In-Transit licensed dealers.

Assume 62 current Minnesota based In-Transit licensed dealers.

Assume no changes in the number of licensed In-Transit dealers.

Assume sales of 6,600 In-Transit plates each year.

Assume an administrative fee of \$10 for each Minnesota-based licensed In-Transit dealer.

Assume new revenue of \$620 (62 dealers x \$10 admin fee). (HUTD)

Assume current staff can absorb the management of the BCA background request process.

Assume an appropriation of \$33,000 (6,600 plates x \$5 plate cost) to implement the provisions of this proposal.

Revised

Assume an effective date of January 1, 2016.

Bureau of Criminal Apprehension (BCA):

The BCA would conduct the background checks. State and federal regulations require that wants and warrants be confirmed with the entering agency prior to any action being taken on the want or warrant. DVS is not authorized to use the secure network over which confirmations are conducted and so these will have to be processed by BCA staff.

Expenditure and/or Revenue Formula

Driver and Vehicle Services:

Expense: One-time expense FY2015 of \$33,000 (manufacture new license plates) Misc. Special Revenue Fund

Revenue: Revenue from administrative fees \$620 Highway User Tax Distribution Fund

Bureau of Criminal Apprehension:

The Federal Bureau of Investigation (FBI) charges \$19.75 for each federal background check. That fee is collected at the BCA and forwarded to the FBI. The BCA charges \$15 for the state background check and that fee covers the cost of processing the request. Given the relatively small number of companies that might apply for this drive-away the BCA will absorb the additional cost of confirming the wants and warrants.

$\$19.75 + \$15 = \$34.75 \times 62 = \$2,154.50$ (Revenue and Expense to the Special Revenue Fund in BCA)

Long-Term Fiscal Considerations

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

Local Fiscal Impact

References/Sources

Agency Contact: Pat McCormack 651-201-7580

Agency Fiscal Note Coordinator Signature: Larry Freund

Phone: 651 201-7050

Date: 3/23/2015 12:25:46 PM

Email: Larry.Freund@state.mn.us