

HF3168 - 0 - Special License Plate Provisions Modified

Chief Author: **Erin Koegel**
 Committee: **Transportation Finance and Policy**
 Date Completed: **2/18/2022 11:03:12 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

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	-	-	163	92	92	
Total	-	-	163	92	92	
Biennial Total			163		184	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	1	1	1
Total	-	-	1	1	1

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:** 2/18/2022 11:03:12 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
Restrict Misc. Special Revenue	-	-	-	163	92	92
Total	-	-	-	163	92	92
Biennial Total				163		184
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	-	-	163	92	92
Total	-	-	-	163	92	92
Biennial Total				163		184
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill moves the special plate application process from legislature to the Commissioner of the Department of Public Safety (DPS). It modifies the requirements for groups seeking special plates including creating an application process and changing the fee amount. It requires Department of Public Safety-Driver and Vehicle Services (DPS-DVS) to create standards for special plates and seeks to change the number of plates in the fleet that requires discontinuance. This bill also requires an annual legislative report regarding special plate counts, contribution fees, and a summary of available plates and applications received.

Assumptions

Assume funding appropriated July 1, 2022.

Assume effective date of January 1, 2023.

Assume the authority to review and approve or deny proposed special plates transfers from legislature to the Commissioner of the DPS. Further assume that, if an application is approved, DPS-DVS will be responsible for selecting and approving the final design of the proposed special plate and issuance of said plate.

Assume FAST, at the request of DPS-DVS, will create an online application portal for requesters of new special plates to submit their application, application fee and supporting documents through. Assume 8 weeks of programming in MNDRIVE will be required to create an online application portal at \$8,000 a week (\$200/hour x 40 hours) for a total programming cost of \$64,000 (8 weeks x \$8,000/week = \$64,000).

Assume DPS-DVS will establish standards for approval of proposed special plates and a structure for contribution fees collected by proposed special plates.

Assume DPS-DVS will need one Full-time Employee (FTE) State Program Administrator Intermediate (SPA-I) in the Special Plates Unit to work with customers and FAST for the creation of the online application portal, development of approval standards, and ongoing management of applications received.

Assume \$163,341 in FY23 will be appropriated from the special revenue fund to implement this legislation and includes the staff necessary to process special plate applications and issuance of new special plates. The base for this appropriation is \$92,085 in FY24 and beyond.

One-time costs per Special Plates Unit FTE:

Furniture = \$6,466
Office Chair = \$500
Computer Monitors = \$290

Total one-time costs: \$7,256

Monthly Costs per Special Plates Unit FTE:

Office Space - \$215 x 12 = \$2,580
Laptop Computer - \$77.98 x 12 = \$936
Employee Computing - \$53.89 x 12 = \$647
Telephone-Desk - \$40 x 12 = \$480
Office Supplies - \$8.25 x 12 = \$99

Total Annual Monthly Costs: \$4,742

Assume DPS-DVS will create an annual report due by November 1 each year that will include a summary of available special plates, including the number of each plate issued in the prior fiscal year and total number currently issued; a copy of the approval standards established, a summary of new special plate applications, the number of applications approved and denied including the reason for each denied application; notice of any discontinued plates and plates anticipated for possible discontinuance; a fiscal review identifying the total contributions received for each applicable special plate for each of the prior three fiscal years and the amounts of appropriations retained by DPS-DVS for administrative costs.

Assume this report will be generated by the Special Plates Unit FTE and rolled into the annual costs of that FTE.

Assume the annual report will be provided each year until the subdivision expires on June 30, 2031. Assume once a plate is determined to be discontinued that FAST will complete programming to set an end date for the plate in MNDrive. Assume this will be a minor configuration change with no additional costs involved.

Assume a discontinued plate will allow the owners of the discontinued plate to continue renewals until it is due for replacement but will not allow the plate owners to receive replacement or duplicates of the discontinued plate.

Expenditure and/or Revenue Formula

FY23 Expenditures

Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account

Programming Cost \$8,000 per week x 8 weeks = \$64,000

Restricted Misc. Special Revenue Fund Vehicle Service Operating Account

SPA-I (Step 6) annual salary and fringe benefits FTE = \$87,343
One-time costs for FTE: \$7,256
Annual Monthly Costs for FTE: \$4,742

Total Restricted Misc. Special Revenue Fund - Vehicle Service Operating Account FY23 = \$99,341

FY24 and Beyond Expenditures

Restricted Misc. Special Revenue Fund Vehicle Service Operating Account

SPA-I (Step 6) annual salary and fringe benefits FTE = \$87,343
Annual Monthly Costs for FTE: \$4,742

Total Restricted Misc. Special Revenue Fund - Vehicle Service Operating Account FY23 = \$92,085

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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