

HF1225 - 0 - ATV Registration Fee for Veterans Eliminated

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 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/14/2025 2:10:48 PM**
 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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
All Terrain Vehicle	-	18	18	18	18
Total	-	18	18	18	18
Biennial Total			36		36

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
All Terrain Vehicle	-	-	-	-	-
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: Jim Carlson **Date:** 3/14/2025 2:10:48 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
All Terrain Vehicle	-	18	18	18	18
Total	-	18	18	18	18
Biennial Total			36		36
1 - Expenditures, Absorbed Costs*, Transfers Out*					
All Terrain Vehicle	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
All Terrain Vehicle	-	(18)	(18)	(18)	(18)
Total	-	(18)	(18)	(18)	(18)
Biennial Total			(36)		(36)

Bill Description

This bill will allow veterans with a 100% total and permanent service-connected disability to be exempt from the All Terrain Vehicle registration fee. Instead, they will receive a free three-year registration. To qualify, they must provide documentation from the U.S. Department of Veterans Affairs or the retirement board of a branch of the armed forces verifying their disability status.

Assumptions

The Department of Natural Resources assumes that other rules and regulations related to ATV use would not change, including the \$60 three-year registration fee. It is assumed that the veteran must be a resident of the state to qualify, and must be the registered owner of the ATV. Veterans must re-submit documentation for renewal after three years to maintain the exemption.

Purchasing a registration will be free to the user, but the ELS vendor will apply the contractually negotiated rate of \$1.24 for the transaction processed within the ELS system, and this charge will be billed to the DNR.

Revenue reductions would be recognized in the All Terrain Vehicle account in the Natural Resources fund.

Lawmakers should be aware that the DNR, MNIT, and PayIt Outdoors, LLC (Contractor) are planning to launch a new Electronic License System (ELS) later in 2025, though the exact launch date is not yet determined. The system is expected to enable DNR staff to configure this new license type independently, helping to avoid additional contractor development costs. Additional costs would be incurred for changes in the current ELS if this bill is effective before implementation of the new system.

Expenditure and/or Revenue Formula

Reduction of ATV Registration Fee Revenue

Of the MN adult population, approximately 7.8% have a registered ATV.

11,576 MN veterans have 100% disability based on Veterans Affairs data

Using 7.8% of 11,576, we assume 903 disabled veterans would have a registered ATV

903 registrations x \$60 fee = \$54,180, which is an annual loss of \$18,060.

ELS Fees paid by DNR

\$1.24 x 301 = \$373.24 annually

Long-Term Fiscal Considerations

This will have accumulative effects on the health of the fund as revenues each year are lost. Spending on trail work will need to be adjusted to the new revenue levels.

Local Fiscal Impact

N/A

References/Sources

MN population from census data (Source: <https://www.census.gov/quickfacts/fact/table/MN/PST045223>)

ATV registrations from 2024 DNR License Center

US Department of Veterans Affairs 2024 disability awards data

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