

HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 PM**
 Lead Agency: **Transportation Dept**
 Other Agencies:
 Metropolitan Council Office of the Legislative Auditor
 Public Safety Dept Veterans Affairs 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	FY2023	FY2024	FY2025	FY2026	FY2027
Office of the Legislative Auditor						
Restrict Misc. Special Revenue	-	225	221	221	221	221
Public Safety Dept						
Restrict Misc. Special Revenue	-	(256)	(3)	(3)	(3)	(3)
Transportation Dept						
Trunk Highway	-	-	-	306	306	306
State Total						
Restrict Misc. Special Revenue	-	(31)	218	218	218	218
Trunk Highway	-	-	-	306	306	306
	Total	-	(31)	218	524	524
	Biennial Total			187		1,048

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Office of the Legislative Auditor					
Restrict Misc. Special Revenue	-	2	2	2	2
Public Safety Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Transportation Dept					
Trunk Highway	-	-	-	2	2
	Total	-	2	2	4

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:** 1/25/2023 4:04:53 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		FY2023	FY2024	FY2025	FY2026	FY2027
Office of the Legislative Auditor						
Restrict Misc. Special Revenue	-	225	221	221	221	221
Public Safety Dept						
Restrict Misc. Special Revenue	-	(256)	(3)	(3)	(3)	(3)
Transportation Dept						
Trunk Highway	-	-	-	306	306	306
Total	-	(31)	218	524	524	524
	Biennial Total		187		1,048	1,048
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Office of the Legislative Auditor						
Restrict Misc. Special Revenue	-	225	221	221	221	221
Public Safety Dept						
Restrict Misc. Special Revenue						
Expenditures	-	924	8	8	8	8
Absorbed Costs	-	(72)	-	-	-	-
Transportation Dept						
Trunk Highway	-	-	-	306	306	306
Total	-	1,077	229	535	535	535
	Biennial Total		1,306		1,070	1,070
2 - Revenues, Transfers In*						
Office of the Legislative Auditor						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Public Safety Dept						
Restrict Misc. Special Revenue	-	1,108	11	11	11	11
Transportation Dept						
Trunk Highway	-	-	-	-	-	-
Total	-	1,108	11	11	11	11
	Biennial Total		1,119		22	22

HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 PM**
 Agency: **Transportation 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	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	306	306	
Total	-	-	-	306	306	
Biennial Total			-			612

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	2	2
Total	-	-	-	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:** 1/25/2023 9:38:43 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 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Trunk Highway	-	-	-	306	306
Total	-	-	-	306	306
Biennial Total			-		612
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Trunk Highway	-	-	-	306	306
Total	-	-	-	306	306
Biennial Total			-		612
2 - Revenues, Transfers In*					
Trunk Highway	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill contains numerous transportation policy provisions affecting MnDOT:

Section 2 adds a subdivision for adding micromobility devices as defined in 169.011 with the right-of-way of a public highway.

Section 3 adds and describes Route 340 to the trunk highway system.

Sections 4 and 5 amend the definition of “money needs” in the sections of law relating to distribution of the County State Aid Highway (CSAH) and Municipal State Aid Street (MSAS) allocations. The amendment requires a CSAH or an MSAS system to be located and established by such county or city, respectively, rather than simply in such county or city, respectively.

Section 6 amends cities’ required data submission to the commissioner. This amendment requires membership of the municipal screening board to include two city engineers from the MnDOT Metro District, one city engineer from each nonmetro district, and one engineer from each city of the first class.

Section 16 adds a definition of “micromobility device” to the list of definitions.

Section 17 amends subdivision 1 to include a definition rather than an exemption. It establishes two different permits, based on a vehicles with a total of six or more axels to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections 169.823 to 169.829.

Section 18 adds “raw or processed grass seed” to the definition of “qualifying agricultural products.”

Section 19 eliminates the conditions under which the commissioner may authorize the issuance of special plates.

Section 20 defines internet service as a home utility service.

Section 21 amends veteran designation on driver’s licenses and ID cards to include retired members of the National Guard or reserve components of the US armed forces. Applicant discharge papers must now include additional identification which screens for dishonorable discharge. Clause c is eliminated.

Section 22 adds participants with previously revoked licenses among those whom the commissioner must require to present an insurance ID card that is certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Section 23 amends the definition of “life-cycle cost” and “life-cycle analysis” and adds a definition for “minimum requirements,” “pavement,” “rounded value,” “shoulder,” “substantial plan development” and “superfluous materials.” It also sets analytical, drafting, reviewing, reporting, and documenting guidelines for pavement selection in projects with 60,000 or more square yards of paving. This section would take effect July 1, 2025.

Sections 24 and 25 redirect to the maximum penalties listed in Code of Federal Regulations, title 49, part 190, or successor requirements rather than providing specific civil penalty limits.

Section 26 amends the word-ordering of disclosure requirements.

Sections 27 and 28 maintain the intent but clarifies some ambiguities of the 2021 statute changes pertaining to small, unmanned aircraft system insurance.

Section 31 and 32 remove Legislative Routes 274 and 301 from the trunk highway system.

Section 33 repeals financial records reporting as noted in Minnesota Rules, part 8835.0350, subpart 2.

Assumptions

There is no fiscal impact to MnDOT for most sections though several had potential impact.

Section 3 has no fiscal impact to MnDOT as road improvements occur before turnbacks and agreements are executed between MnDOT and the county affected. Any money spent on these upgrades has already been statutorily appropriated.

Section 17 after discussing with industry officials, MnDOT believes no additional revenue will occur as no new permits will be issued. Requests would be split between existing and new permit types and both types costs \$300 each. MnDOT believes no additional expenditures will occur as there are no system costs to add a new permit, very minimal operations costs, and no need to post signs on roads and bridges for the wider loads.

Section 23 MnDOT currently has a life-cycle cost analysis (LCCA) process that provides guidance and direction for the selection of pavement types for projects. To carry out subd. 2 (b)(9), MnDOT would need to hire at least two full time engineers. This work will primarily be done by two engineers at a blended hourly salary rate of \$50 per hour plus an additional 50% to account for related overhead costs including fringe benefits.

Expenditure and/or Revenue Formula

Section 23

Principal Engineer: 1 FTE (2080 hrs x \$53 per hour) x 1.5 related overhead = \$165,360

Senior Engineer: 1 FTE (2080 hrs x \$45 per hour) x 1.5 related overhead = \$140,400

Total: \$305,760 - 2 FTE

Long-Term Fiscal Considerations

None.

Local Fiscal Impact

None.

References/Sources

Various MnDOT offices including Office of Materials and Road Research.

Agency Contact: Sam Brown, samuel.brown@state.mn.us

Agency Fiscal Note Coordinator Signature: Samuel Brown

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HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 PM**
 Agency: **Metropolitan Council**

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	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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:** 1/20/2023 3:41:03 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	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill contains various transportation-related policy changes. This fiscal note is being prepared on two sections of the bill.

Section 29 would require the Metropolitan Council to ensure that bus operators receive training on assisting persons with disabilities and mobility limitations to enter and leave the vehicle. The training must cover assistance in circumstances where regular access to or from the vehicle is unsafe due to snow, ice, or other obstructions. The language only applies to vehicle operators employed by the Metropolitan Council or by a replacement service provider. This section also requires the council to consult with the Transportation Accessibility Advisory Committee on the training.

Section 30 would require the Metropolitan Council to arrange and pay for a study by the Center for Transportation Studies at the University of Minnesota that examines public transportation after the COVID-19 pandemic is substantially curtailed in the United States. The study would need to do the following: 1) focus primarily on transit service for commuters in the metropolitan area; 2) specifically review Northstar Commuter Rail and commuter-oriented transit service by the Metropolitan Council and by the suburban transit providers; and 3) Provide analysis and projections on anticipated changes in several areas, such as ridership. Copies of the study would need to be submitted by the chair of the Metropolitan Council to transportation policy and finance committee members by November 1, 2024.

Assumptions

Section 29: No additional costs would be incurred by the Metropolitan Council because of this section based on the following assumptions:

Requirements are interpreted to apply only to Metropolitan Council employees.

Currently, Metro Transit trains operators on the topics covered by this bill as part of the existing training curriculum, and no incremental training or expenses would be incurred.

Metro Mobility and Transit Link drivers are already trained to Special Transportation Service standards; existing training in these programs covers the requirements described in the bill.

The Council assumes that the consultation with the Transportation Accessibility Advisory Committee will result in advice that could be integrated into existing training budgets and schedules.

Section 30: Based on similar studies performed in the past, the estimated cost would be \$250,000. It is assumed the expense would occur in FY24. As prescribed in the legislation, the Council would absorb the cost.

Expenditure and/or Revenue Formula

The cost of the study in Section 30 is estimated at \$250,000 and is based on the cost for a similar size/scope study.

Long-Term Fiscal Considerations

Local Fiscal Impact

NA

References/Sources

NA

Agency Contact: Alexandra Iverson 651 602 1842

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HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 PM**
 Agency: **Office of the Legislative Auditor**

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	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	225	221	221	221	221
Total	-	225	221	221	221	221
Biennial Total			446			442

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	2	2	2	2
Total	-	2	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: Susan Nelson **Date:** 1/23/2023 8:33:39 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	FY2023	FY2024	FY2025	FY2026	FY2027	
Restrict Misc. Special Revenue	-	225	221	221	221	221
Total	-	225	221	221	221	221
Biennial Total			446			442
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	225	221	221	221	221
Total	-	225	221	221	221	221
Biennial Total			446			442
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF401-0 appropriates receipts in the state data security account to the Office of the Legislative Auditor (OLA) for the purpose of oversight relating to security of data stored and transmitted by state systems.

Assumptions

The Legislature created the state data security account in 2014 and appropriated revenue from the account to OLA, but the Governor vetoed the appropriation language. As a result, OLA has never received revenue from the account. HF401-0 restores the appropriation language.

State law funds the state data security account by requiring the Department of Public Safety to deposit into the account 30 percent of the fees it charges for the bulk sale of vehicle data (*Minnesota Statutes*, 168.327). Over the past few fiscal years, the average annual amount deposited into the account was approximately \$212,000. Because OLA has never been appropriated the revenue from the state data security account, the balance has grown to \$1,510,000 million. The 2021 Legislature directed that \$1,200,000 from the account be transferred to the general fund effective July 1, 2023 (*Laws of Minnesota 2021*, First Special Session, chapter 12, art. 1, sec. 40). As a result, there is currently approximately \$310,000 in the account available for use.

OLA's plan is to use the estimated \$212,000 that is credited annually to the state data security account plus a small portion of the existing fund balance - to fund two positions. We anticipate filling these positions with two professionals who have training and experience in information systems security auditing. We believe this funding will be sufficient to support these two positions for the next several years. If the funding deposited into this account remains flat or decreases, OLA may need to supplement these funds with other appropriations or make staffing adjustments.

The number of additional audits these staff will be able to complete will depend on the scope and complexity of the audits. However, our goal would be that these staff would complete an additional two audits annually.

Expenditure and/or Revenue Formula

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Salary Senior (1.0 FTE)	\$79,302	\$79,302	\$79,302	\$79,302	\$79,302

Salary Staff (1.0 FTE)	\$68,820	\$68,820	\$68,820	\$68,820	\$68,820
Fringe (13.9% of Salary plus dependent insurance)	\$69,953	\$69,953	\$69,953	\$69,953	\$69,953
IT Costs	\$4,400	\$400	\$400	\$400	\$400
Employee Development	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
General Office Supplies and Travel	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Costs	\$225,475	\$221,475	\$221,475	\$221,475	\$221,475

Long-Term Fiscal Considerations

Either funding or staffing adjustments may be needed in the future.

Local Fiscal Impact

N/A

References/Sources

Judy Randall (judy.randall@state.mn.us or 651-296-4708)

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Agency Fiscal Note Coordinator Signature: Eric Jacobson

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HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 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	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	(256)	(3)	(3)	(3)	(3)
Total	-	(256)	(3)	(3)	(3)	(3)
Biennial Total			(259)			(6)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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:** 1/20/2023 3:41:32 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		FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	(256)	(3)	(3)	(3)	(3)
Total	-	(256)	(3)	(3)	(3)	(3)
Biennial Total			(259)			(6)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue						
Expenditures	-	924	8	8	8	8
Absorbed Costs	-	(72)	-	-	-	-
Total	-	852	8	8	8	8
Biennial Total			860			16
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	1,108	11	11	11	11
Total	-	1,108	11	11	11	11
Biennial Total			1,119			22

Bill Description

Various policy changes provided to transportation-related provisions, and money appropriated.

Assumptions

Section 1

Assume that the Office of the Legislative Auditor (OLA) requirement to use money from bulk data requests may be used at the OLA's discretion.

Assume Driver and Vehicle Services (DVS) will continue to be required to audit these entities and the entities must provide copies of the audit to the OLA. (Minn. Stat. section 168.327, subd. 6)

Assume that the OLA would continue to receive a portion of the fee but without statutory requirement to do any review of the DVS data.

Section 7

Assume an effective date of January 1, 2024.

Assume the Revisor will renumber the subdivisions replacing paragraph (a), clause 2, to reflect the correct plates offered as veteran motorcycle plates.

Assume this bill creates an additional special plate category.

Assume this plate is authorized for passenger automobiles, noncommercial one-ton pickup trucks, motorcycles, or recreational vehicles.

Assume the Air Medal plate image setup costs for the standard size plates range from \$500-\$1,000 per design. Assume the plate design must adopt a suitable design for the plate in consultation with the Commissioner of Veterans Affairs.

Assume the final design costs will depend on the complexity of the design and possible revisions. Note, the smaller size

motorcycle plate makes many designs impractical.

Assume the manufacture and issuance cost per plate is \$11.38. Assume this cost includes plate pair with sheeting of \$6.39 per plate, Minncor handling of \$.09 per plate, validation stickers at \$.30 per plate and average mailing cost of \$4.60 per plate.

Assume customers will pay \$15.50 per plate for double plates as outlined under section 168.12, subdivision 5.

Assume this special plate is exempt from section 168.1293, subdivision 2; therefore, no marketing study has been done to estimate the number of plates that will be requested. For exercise purposes, assume that 100 plates will be requested for fiscal years 2024, 2025 and beyond.

Assume 40 hours of MNDrive programming by Fast for system upgrades to configure the new plate category and fee rules for registrations, configure the new plate type for inventory, and configure related accounting fund types and fee-distribution rules. Assume hourly rate of \$200 for a total programming cost of \$8,000 (40 programming hours x \$200 per hour = \$8,000).

Assume DVS can absorb this programming cost out of the DVS technology account special revenue fund.

Section 8

Assume there is no fiscal impact to DVS as DVS already offers Disabled American Veteran emblems. Assume this is language clarification and no additional programming will be needed.

Section 9

Assume there is no fiscal impact to DVS. Assume the loss of the personalized plate fee for personalized Gold Star plates is minimal and can be absorbed. Assume no additional programming will be needed.

Section 10

Assume an effective date of January 1, 2024.

Assume this bill creates an additional special plate category.

Assume this plate is authorized for passenger automobiles, noncommercial one-ton pickup trucks, motorcycles, or recreational vehicles.

Assume this special plate category is not exempt from the requirements of Minnesota Statutes 168.1293, subdivision 2.

Assume the legislature received a marketing strategy and verification that at least 10,000 vehicle owners want each plate style possible under this proposed legislation and the proponents paid the application fee of \$20,000. (Minn. Stat. Section 168.1293, subd. 2(3)).

Assume this marketing strategy and verification mean a potential total of 70,000 plates will be produced if all Minnesota professional sports team foundations and a plate that incorporates marks and colors of all the foundations are designed. Further assume an estimated 500 plates will be sold each year after the initial year.

Assume up to 7 plate designs must be adopted for this special plate category (Vikings, Timberwolves, Lynx, Wild, Twins, United, and a plate that incorporates the marks and colors of all foundations).

Assume the plate image setup costs for the standard size plates range from \$500-\$1,000 per design. Assume the plate design must adopt a suitable design for the plate in consultation with a Minnesota professional sport team's foundation

Assume the final design costs will depend on the complexity of the design and possible revisions.

Assume the smaller size motorcycle plate makes many designs impractical.

Assume the manufacture and issuance cost per plate is \$11.38. Assume this cost includes plate pair with sheeting of \$6.39 per plate, Minncor handling of \$.09 per plate, validation stickers at \$.30 per plate and average mailing cost of \$4.60 per plate.

Assume customers will pay \$15.50 per plate for double plates as outlined under section 168.12, subdivision 5.

Assume customers will contribute a minimum of \$30 annually to the Minnesota professional sports team foundation account.

Assume the annual contribution will require updated accounting codes and administration for each foundation involved.

Assume the contributions must be deposited in the Minnesota professional sports team foundations account established in the special revenue fund.

Assume the funds in the Minnesota professional sports team foundations account will be appropriated to DVS. Assume the appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the professional sports team foundations.

Assume limited hours annually (no more than 8 hours @ \$27.01/hr = \$216.08) for Vehicle Services Management Analyst 2 to generate a report showing contributions collected and submit a request to Fiscal & Admin Services for payment to Minnesota professional sports team foundations account. Assume the costs for this report can be absorbed by DVS with existing FTEs.

Assume 160 hours of MNDrive programming by Fast for system upgrades to configure the new plate category and fee rules for registrations, configure the new plate type for inventory, and configure related accounting fund types and fee-distribution rules. Assume hourly rate of \$200 for a total programming cost of \$32,000 (160 programming hours x \$200 per hour = \$32,000).

Assume DVS can absorb this programming cost out of the DVS technology account special revenue fund.

Section 11

Assume an effective date of January 1, 2024.

Assume this bill creates an additional special plate category.

Assume this plate is authorized for passenger automobiles, noncommercial one-ton pickup trucks, motorcycles, or recreational vehicles.

Assume the plate image setup costs for the standard size plates range from \$500-\$1,000 per design. Assume the plate design must adopt a suitable design for the plate in consultation with the Office of Missing and Murdered Indigenous Relatives.

Assume the final design costs will depend on the complexity of the design and possible revisions. Note, the smaller size motorcycle plate makes many designs impractical.

Assume the manufacture and issuance cost per plate is \$11.38. Assume this cost includes plate pair with sheeting of \$6.39 per plate, Minncor handling of \$.09 per plate, validation stickers at \$.30 per plate and average mailing cost of \$4.60 per plate.

Assume customers will pay \$15.50 per plate for double plates as outlined under section 168.12, subdivision 5.

Assume this special plate is exempt from section 168.1293, subdivision 2; therefore, no marketing study has been done to estimate the number of plates that will be requested. For exercise purposes, assume that 100 plates will be requested for fiscal years 2024, 2025 and beyond.

Assume customers will contribute a minimum of \$20 annually to the Minnesota Missing and Murdered Indigenous Relatives account.

Assume the annual contribution will require updated accounting codes and administration.

Assume the contributions must be deposited in the Minnesota Missing and Murdered Indigenous Relatives account established in the special revenue fund.

Assume the funds in the Minnesota Missing and Murdered Indigenous Relatives account will be appropriated to DVS. Assume the funds are for distribution to Minnesota Missing and Murdered Indigenous Relatives account throughout the state.

Assume limited hours annually (no more than 8 hours @ \$27.01/hr = \$216.08) for Vehicle Services Management Analyst 2 to generate a report showing contributions collected and submit a request to Fiscal & Admin Services for payment to Minnesota Missing and Murdered Indigenous Relatives account. Assume the costs for this report can be absorbed by DVS with existing FTEs.

Assume 40 hours of MNDrive programming by Fast for system upgrades to configure the new plate category and fee rules for registrations, configure the new plate type for inventory, and configure related accounting fund types and fee-distribution rules. Assume hourly rate of \$200 for a total programming cost of \$8,000 (40 programming hours x \$200 per hour = \$8,000).

Assume DVS can absorb this programming cost out of the DVS technology account special revenue fund.

Section 12

Assume this section includes language changes related to the changes in Section 7 and effective date of January 1, 2024. Assume no additional fiscal impact to DVS.

Section 13

Assume DVS is required to submit an annual report on special plates to the legislature by February 1 of each year.

Assume if the report due date is changed to reflect the fiscal year end instead of calendar year, the annual report would include for fiscal year-end close out data.

Assume the report due date will also take in to account the time needed to gather required reporting information from the multiple divisions and outside entities receiving funds from annual contributions.

Assume 80 hours of MNDrive programming by Fast for system upgrades to configure the reports required to compile this legislative report. Assume hourly rate of \$200 for a total programming cost of \$16,000 (80 programming hours x \$200 per hour = \$16,000).

Assume DVS can absorb this programming cost out of the DVS technology account special revenue fund.

Assume \$2,160.80 annually (80 hours x \$27.01/hour = \$2,160.80) for Vehicle Services Management Analyst 2 to compile and generate the legislative report. Further assume this includes contacting contribution fund recipients and compiling information from the Dept. of Agriculture, Dept. of Natural Resources, 26 Collegiate Plate direct recipients, the Law Enforcement Memorial Association, Minnesota 100 Club, MN PGA Foundation, MN Dept. of Veteran Affairs & the National Guard, MN DPS and any recipients created from new plates authorized. Assume this cost is absorbed by existing FTE.

Section 14

Assume there is no fiscal impact to DVS. Assume this section adds clarifying language only for dealers' licenses, location change notices and fees.

Section 15

Assume there is no fiscal impact to DVS. Assume this section adds clarifying language only for dealer records.

Section 19

Assume there is no fiscal impact to DVS. Assume this section deletes unnecessary language related to qualified driver requirement for certain special plates.

Section 20

Assume this section expands the list of documents applicants may use to demonstrate proof of residency documents for

REAL ID. Assume no fiscal impact to DVS.

Section 21

Assume Veteran's Indicator will not be printed on Enhanced Driver License or ID due to space constraints from the additional requirements of a bar code, machine readable zone, and magnetic stripe needed for border crossing security.

There are 303,272 veterans in Minnesota. (Minnesota Department of Veteran Affairs), and 61,685 active veteran indicators on credentials as of January 17, 2023. Assume 20.3% of eligible veterans currently opt for the indicator ($61,685/303,272 = 0.203 \times 100 = 20.3\%$).

Assume the DVS cannot estimate the number members of the National Guard, or a reserve component of the United States armed forces who are retired, and who also have a DD-214 with an honorable or general discharge status or other qualifying document.

Assume approximately 13,000 National Guard members and approximately half have veteran status. (Minnesota National Guard). Assume same rate of National Guard members will opt for indicator as current veterans. Assume 1,248 of those eligible will opt for veteran indicator in the first year. ($13,000 / 2 = 6,500$; $6500 \times 0.203 = 1,320$). Assume additional number of applications can be absorbed by DVS and processed by existing staff.

Assume training costs for staff and driver's license agents (DLAs) are minimal and can be absorbed by DVS.

Assume 40 hours of programming will be needed to update language on internal application and pre-application and add additional deficiency letter. Assume hourly rate of \$200 for a total programming cost of \$8,000 ($40 \text{ programming hours} \times \$200 \text{ per hour} = \$8,000$).

Assume DVS can absorb this programming cost out of the DVS technology account special revenue fund.

Assume paper application forms will be updated to reflect additional proof documents for veteran indicator. Assume printing of new application forms is \$45,000. ($\$0.06 \text{ per intake form} \times 750,000 \text{ intake form order} = \$45,000$).

Section 22

Assume this corrects a technical issue with the language and has no fiscal impact to DVS.

Section 26

Assume there is no fiscal impact to DVS. Assume this section adds clarifying language only related to disclosure requirements by motor vehicle dealers.

Expenditure and/or Revenue Formula

Expenditures FY24

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

Cost to design Air Medal Special Veteran License plate = \$1,000

Cost to design Minnesota professional sports team foundations license plates (7 designs x \$1,000/design) = \$7,000

Cost to design Minnesota Missing and Murdered Indigenous Relatives plate = \$1,000

Cost of Air Medal Special Veteran plate production and mailing (100 plates x \$11.38/plate) = \$1,138

Cost of Minnesota professional sports team foundations plate production and mailing (70,000 plates x \$11.38/plate) = \$796,600

Cost of Minnesota Missing and Murdered Indigenous Relatives plate production and mailing (100 plates x \$11.38/plate) = \$1,138

Total Expenditures Special Revenue - Vehicle Services Operating Account FY24= \$807,876 (final cost dependent on the design cost and the number of plates requested)

Restrict. Misc. Special Revenue Driver's Services Operating Account

Cost of printing updated application forms = \$45,000 (\$0.06 per form x 750,000 forms = \$45,000)

Total Expenditures Special Revenue Driver's Services Operating Account FY24= \$45,000

Assume programming costs of \$72,000 can be absorbed by DVS tech account. (\$8,000 + \$32,000 + \$8,000 + \$16,000 + \$8,000 = \$72,000)

Revenue

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

100 Air Medal Special Veteran License Plates x \$15.50/plate = \$1,550 (total revenue dependent on the number of plates requested.)

70,000 Minnesota professional sports team foundations license plates x \$15.50/plate = \$1,085,000 (total revenue dependent on the number of plates requested.)

100 Minnesota Missing and Murdered Indigenous Relatives Plates x \$15.50/plate = \$1,550 (Total revenue dependent on the number of plates requested.)

One-time special plate application fee for Minnesota professional sports team foundations license plate = \$20,000

Total Revenue Special Revenue Fund FY 24 = \$1,108,100 (total revenue dependent on the number of plates requested.)

FY25 and beyond

Expenditures

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

Cost of Air Medal Special Veteran plate production and mailing (100 plates x \$11.38/plate) = \$1,138

Cost of Minnesota professional sports team foundations plate production and mailing (500 plates x \$11.38/plate) = \$5,690

Cost of Minnesota Missing and Murdered Indigenous Relatives plate production and mailing (100 plates x \$11.38/plate) = \$1,138

Total Expenditures Special Revenue - Vehicle Services Operating Account FY25= \$7,966 (final cost dependent on the number of plates requested)

Revenue

100 Air Medal Special Veteran License Plates x \$15.50/plate = \$1,550 (Total revenue dependent on the number of plates requested.)

500 Minnesota professional sports team foundations license plates x \$15.50/plate = \$7,750 (total revenue dependent on the number of plates requested.)

100 Minnesota Missing and Murdered Indigenous Relatives Plates x \$15.50/plate = \$1,550 (Total revenue dependent on the number of plates requested.)

Total Revenue Special Revenue Fund Vehicle Services Operating Account FY 25 = \$10,850 (total revenue dependent on the number of plates requested.)

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Pong Xiong 651-201-7580

Agency Fiscal Note Coordinator Signature: Dan Boytim

Phone: 651-201-7040

Date: 1/20/2023 3:30:57 PM

Email: Dan.Boytim@state.mn.us

HF401 - 0 - Various Transportation-Related Policy Changes

Chief Author: **Frank Hornstein**
 Committee: **Transportation Finance**
 Date Completed: **1/25/2023 4:04:53 PM**
 Agency: **Veterans Affairs 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	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Chloe Burns **Date:** 1/25/2023 4:03:38 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

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		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

The bill contains various transportation related policy changes.

Section 7, 8, and 9 details the various Veterans' Special Plates with updates to language to clarify intent, and the addition of a new Air Medal special plate.

Assumptions

Section 7

Assume that design for the Air Medal Veteran and motorcycle plates are absorbed.

Assume Veterans Affairs will be working with Public Safety on the design of the new plates.

Assume an effective date of January 1, 2024.

Section 8

Assume there is no fiscal impact to Veterans Affairs.

Section 9

Assume there is little to no fiscal impact to Veterans Affairs, all costs would be less than \$2,000.

Assume that the loss of plates and personalized late fees will be absorbed.

Expenditure and/or Revenue Formula

NA

Long-Term Fiscal Considerations

NA

Local Fiscal Impact

NA

References/Sources

NA

Agency Contact: Ben Johnson

Agency Fiscal Note Coordinator Signature: John Powers

Phone: 651-757-1543

Date: 1/25/2023 4:00:17 PM

Email: john.powers@state.mn.us