

SF1003 - 0 - Air Medal Special Veterans License Plate

Chief Author: **Jeff Howe**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/17/2022 2:18:13 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	FY2021	FY2022	FY2023	FY2024
Restrict Misc. Special Revenue	-	-	-	(1)	(1)
Total	-	-	-	(1)	(1)
Biennial Total			-		(2)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
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:** 3/17/2022 2:18:13 PM
Phone: 651-284-6543 **Email:** laura.cecko@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		FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	-	(1)	(1)
Total	-	-	-	-	(1)	(1)
Biennial Total			-			(2)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	-	2	1	1	1
Total	-	-	2	1	1	1
Biennial Total			2			2
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	2	2	2	2
Total	-	-	2	2	2	2
Biennial Total			2			4

Bill Description

Establishes an Air Medal special veterans license plate, amending Minnesota Statutes 2020, section 168.123, subd 2. To be eligible, the applicant must be a veteran who was a recipient of the Air Medal.

Assumptions

Assume an effective date of January 1, 2023.

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 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 \$11.08. 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 \$4.30 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 2023, 2024 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 programming costs to be absorbed under the current maintenance and support contract with FAST Enterprises, at no additional cost to DVS.

Expenditure and/or Revenue Formula

Fiscal Year 2023

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

Cost to design plate = \$1,000

Cost of plate production and mailing (100 plates x \$11.08/plate) = \$1,108

Total Expenditures Special Revenue - Vehicle Services Operating Account FY2023= \$2,108 (final cost dependent on the design cost and 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.)

Total Revenue Special Revenue Fund FY 2023 = \$1,550

Fiscal Year 2024 and beyond

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

Cost of plate production and mailing (100 plates x \$11.08/plate) = \$1,108

Total Expenditures Special Revenue - Vehicle Services Operating Account FY2024= \$1,108 (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.)

Total Revenue Special Revenue Fund FY 2024 = \$1,550

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: 3/17/2022 2:00:24 PM

Email: Dan.Boytim@state.mn.us