

SF2649 - 0 - Minnesota Viking Foundation Special License Plates

Chief Author: **Julia Coleman**
 Committee: **Transportation Finance and Policy**
 Date Completed: **3/17/2022 12:02:12 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	-	-	(43)	(2)	(2)
Total	-	-	(43)	(2)	(2)
Biennial Total			(43)		(4)

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 12:02:12 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		FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	(43)	(2)	(2)
Total	-	-	-	(43)	(2)	(2)
Biennial Total				(43)		(4)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	-	-	112	6	6
Total	-	-	-	112	6	6
Biennial Total				112		12
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	155	8	8
Total	-	-	-	155	8	8
Biennial Total				155		16

Bill Description

Establishes Minnesota Vikings Foundation special plates or a single motorcycle plate. The commissioner must issue the plates to an applicant who is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle.

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 Minnesota Vikings Foundation.

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 \$0.09 per plate, validation stickers at \$0.30 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.

The sample survey submitted with the special plate application and fee indicates at least 10,000 registered vehicle owners intend to purchase this plate in the first year.

Assume an estimated 500 plates will be sold each year after the initial year.

Assume customers will contribute a minimum of \$30 annually to the Minnesota Vikings Foundation account.

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

Assume the contributions must be deposited in the Minnesota Vikings Foundation account established in the special revenue fund.

Assume the funds in the Minnesota Vikings Foundation account will be appropriated to Department of Public Safety Driver and Vehicle Services Division (DPS-DVS). Assume the appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Minnesota Vikings Foundation to advance the well-being of youth through engaging health and education initiatives.

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 the Minnesota Vikings Foundation. Assume these costs will be absorbed by DPS-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 programming costs to be absorbed under the current maintenance and support contract with FAST Enterprises, at no additional cost to DPS-DVS.

Expenditure and/or Revenue Formula

FY 2023

Expenditures

Restrict. Misc. Special Revenue Vehicle Services Operating Account

Cost to design plate = \$1,000

Cost of plate production and mailing (10,000 plates x \$11.08/plate) = \$110,800

Total Expenditures Special Revenue - Vehicle Services Operating Account FY 2023 = \$111,800 (final cost dependent on the design cost and the number of plates requested.)

Revenue

10,000 Minnesota Vikings Foundation Plates x \$15.50/plate = \$155,000 (Total revenue dependent on the number of plates requested.)

Total Revenue Special Revenue Vehicle Services Operating Account FY 2023 = \$155,000

FY 2024 & Beyond

Expenditures

Restrict. Misc. Special Revenue - Vehicle Services Operating Account

Cost of plate production and mailing (500 plates x \$11.08/plate) = \$5,540

Total Expenditures Special Revenue - Vehicle Services Operating Account FY 2024 = \$5,540 (final cost dependent on the number of plates requested)

Revenue

500 Minnesota Vikings Foundation Plates x \$15.50/plate = \$7,750 (Total revenue dependent on the number of plates requested.)

Total Revenue Special Revenue Vehicle Services Operating Account FY 2024 = \$7,750

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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