

# Revised

## Consolidated Fiscal Note

2023-2024 Legislative Session

### SF3250 - 0 - Open Bidding Process Requirement

Chief Author: **Foung Hawj**  
 Committee: **Transportation**  
 Date Completed: **3/11/2024 10:47:03 AM**  
 Lead Agency: **Public Safety Dept**  
 Other Agencies:  
     Administrative Hearings

| 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 |
| <b>Administrative Hearings</b> | -        | -      | -      | -        | -      |
| Administrative Hearings        | -        | -      | -      | -        | -      |
| <b>Public Safety Dept</b>      |          |        |        |          |        |
| Restrict Misc. Special Revenue | -        | -      | 161    | 125      | -      |
| <b>State Total</b>             |          |        |        |          |        |
| Administrative Hearings        | -        | -      | -      | -        | -      |
| Restrict Misc. Special Revenue | -        | -      | 161    | 125      | -      |
| <b>Total</b>                   | -        | -      | 161    | 125      | -      |
| <b>Biennial Total</b>          |          |        | 161    |          | 125    |

| Full Time Equivalent Positions (FTE) | Biennium |        |        | Biennium |        |
|--------------------------------------|----------|--------|--------|----------|--------|
|                                      | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Administrative Hearings              | -        | -      | -      | -        | -      |
| Administrative Hearings              | -        | -      | -      | -        | -      |
| <b>Public Safety Dept</b>            |          |        |        |          |        |
| Restrict Misc. Special Revenue       | -        | -      | 1      | 1        | -      |
| <b>Total</b>                         | -        | -      | 1      | 1        | -      |

#### 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.

This fiscal note was revised to show the FTE and fiscal impact to DPS from the Restrict Misc. Special Revenue fund instead of the general fund.

**LBO Signature:** Laura Cecko    **Date:** 3/11/2024 10:47:03 AM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.mn.gov



# Revised

## 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.

| <b>State Cost (Savings) = 1-2</b>                        |   | <b>Biennium</b> |               |               | <b>Biennium</b> |               |
|--|---|-----------------|---------------|---------------|-----------------|---------------|
| <b>Dollars in Thousands</b>                              |   | <b>FY2023</b>   | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b>   | <b>FY2027</b> |
| Administrative Hearings                                  | - | -               | -             | -             | -               | -             |
| Administrative Hearings                                  | - | -               | -             | -             | -               | -             |
| Public Safety Dept                                       |   |                 |               |               |                 |               |
| Restrict Misc. Special Revenue                           | - | -               | 161           | 125           | -               | -             |
| <b>Total</b>   | - | -               | <b>161</b>    | <b>125</b>    | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | <b>161</b>    |               | <b>125</b>      |               |
| <b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b> |   |                 |               |               |                 |               |
| Administrative Hearings                                  | - | -               | -             | -             | -               | -             |
| Administrative Hearings                                  | - | -               | 12            | -             | -               | -             |
| Public Safety Dept                                       |   |                 |               |               |                 |               |
| Restrict Misc. Special Revenue                           | - | -               | 161           | 125           | -               | -             |
| <b>Total</b>   | - | -               | <b>173</b>    | <b>125</b>    | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | <b>173</b>    |               | <b>125</b>      |               |
| <b>2 - Revenues, Transfers In*</b>                       |   |                 |               |               |                 |               |
| Administrative Hearings                                  | - | -               | -             | -             | -               | -             |
| Administrative Hearings                                  | - | -               | 12            | -             | -               | -             |
| Public Safety Dept                                       |   |                 |               |               |                 |               |
| Restrict Misc. Special Revenue                           | - | -               | -             | -             | -               | -             |
| <b>Total</b>   | - | -               | <b>12</b>     | -             | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | <b>12</b>     |               |                 |               |



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## Fiscal Note

2023-2024 Legislative Session

### SF3250 - 0 - Open Bidding Process Requirement

Chief Author: **Foung Hawj**  
Committee: **Transportation**  
Date Completed: **3/11/2024 10:47:03 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 |        |
|--------------------------------|----------|--------|--------|----------|--------|
|                                | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Dollars in Thousands           |          |        |        |          |        |
| Restrict Misc. Special Revenue | -        | -      | 161    | 125      | -      |
| Total                          | -        | -      | 161    | 125      | -      |
| Biennial Total                 |          |        | 161    |          | 125    |

| Full Time Equivalent Positions (FTE) | Biennium |        |        | Biennium |        |
|--------------------------------------|----------|--------|--------|----------|--------|
|                                      | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Restrict Misc. Special Revenue       | -        | -      | 1      | 1        | -      |
| Total                                | -        | -      | 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.

This fiscal note was revised to show the FTE and fiscal impact to DPS from the Restrict Misc. Special Revenue fund instead of the general fund.

**LBO Signature:** Laura Cecko      **Date:** 3/11/2024 10:46:38 AM  
**Phone:** 651-284-6543      **Email:** laura.cecko@lbo.mn.gov



# Revised

## 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.

| <b>State Cost (Savings) = 1-2</b>                        |   | <b>Biennium</b> |               |               | <b>Biennium</b> |               |
|--|---|-----------------|---------------|---------------|-----------------|---------------|
| Dollars in Thousands                                     |   | <b>FY2023</b>   | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b>   | <b>FY2027</b> |
| Restrict Misc. Special Revenue                           | - | -               | 161           | 125           | -               | -             |
| <b>Total</b>   | - | -               | <b>161</b>    | <b>125</b>    | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | <b>161</b>    |               | <b>125</b>      |               |
| <b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b> |   |                 |               |               |                 |               |
| Restrict Misc. Special Revenue                           | - | -               | 161           | 125           | -               | -             |
| <b>Total</b>   | - | -               | <b>161</b>    | <b>125</b>    | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | <b>161</b>    |               | <b>125</b>      |               |
| <b>2 - Revenues, Transfers In*</b>                       |   |                 |               |               |                 |               |
| Restrict Misc. Special Revenue                           | - | -               | -             | -             | -               | -             |
| <b>Total</b>   | - | -               | -             | -             | -               | -             |
| <b>Biennial Total</b>                                    |   |                 | -             |               | -               | -             |

## Bill Description

Relating to transportation; requiring an open bidding process when deputy registrars and driver's license agents close locations; amending Minnesota Statutes 2022, sections 168.33, by adding a subdivision; 171.061, by adding a subdivision.

## Assumptions

Assume Department of Public Safety Driver and Vehicle Services Division (DVS) will require a clear grant of rulemaking authority to create program guidelines subject to Chapter 14, for the commissioner to adopt rules to administer and enforce an open bidding process to select a replacement deputy registrar.

Assume DVS will require a clear grant of rulemaking authority to create program guidelines subject to Chapter 14 for the commissioner to adopt rules to administer and enforce an open bidding process to select a replacement driver's license agent.

Assume the rulemaking process for these guidelines will be a medium size rule and take approximately 12-18 months to complete. Assume DVS currently has no rulemaking staff and will hire one FTE Management Analyst 4 (MA4) as lead counsel in the rulemaking process to manage the entire rulemaking process. Assume the MA4 will be hired with an annual salary and fringe of \$120,584 (\$82,141.92 salary + \$38,441.76 fringe = \$120,584). Assume the MA4 will only be needed through FY26 to complete the rulemaking.

### One-time costs for MA4

Furniture = \$6,466  
 Sit to stand desk = \$800  
 Office Chair = \$500  
 Computer monitor (x 2) = \$290

Total one-time costs for SA2 = \$8,056

### Monthly costs for MA4

Office space \$215 x 12 = \$2,580  
 Laptop computers \$77.98 x 12 = \$935.76  
 Employee computing \$53.89 x 12 = \$646.68  
 Telephone-desk \$40 x 12 = \$480



# Revised

Office supplies  $\$8.25 \times 12 = \$99$

Total annual monthly costs = \$4,741

Assume total costs MA4 FY25 = \$133,381 ( $\$120,584 + \$8,056 + \$4,741 = \$133,381$ )

Assume total costs MA4 FY26 = \$125,325 ( $\$120,584 + \$4,741 = \$125,325$ ).

## Rulemaking costs and fees (medium cost)

Office of Attorney General Legal fees 54 hours ( $\$163/\text{hour}$ ) = \$8,802

Office of Administrative Hearings:

- Admin. Law Judge 50 hours at  $\$245/\text{hour} = \$12,250$
- Filing Fee = \$50

State Register ( $\$135/\text{page}$ ) publishing fees:

- Request for Comments = \$270
- Notice of Intent to Adopt Rules (with rule text published) = \$3,375
- Notice of Adoption (without rule text published) = \$60

Miscellaneous:

- Mailings = \$694
- Duplicating = \$825
- Transcripts = \$750
- Committee costs = \$200

Total rulemaking costs and fees FY25 = \$27,276

Assume use of the existing location is agreed upon by the property owner and contractually allowed by any lease or occupancy agreement.

Assume city and county run offices that close and become available for bid may opt not to offer space rental for continued business operation and would not be required to continue service as a result of this bill.

Assume that an effective date of July 1, 2023 would not be feasible as it is in the past. Assume open bidding to become available following completion of the rulemaking.

## **Expenditure and/or Revenue Formula**

### Expenditures FY25

MA4 FY25 = \$133,381 ( $\$120,584 + \$8,056 + \$4,741 = \$133,381$ ).

Rulemaking costs and fees FY25 = \$27,276

Total Expenditures Restricted Special Revenue Driver and Vehicle Services Operating Account FY25 = \$160,657

### Expenditure FY26



# Revised

MA4 FY26 = \$125,325 (\$120,584+ \$4,741 = \$125,325).

Total Expenditures Restricted Special Revenue Driver and Vehicle Services Operating Account FY26 = \$125,325

## **Long-Term Fiscal Considerations**

## **Local Fiscal Impact**

## **References/Sources**

**Agency Contact:** Pong Xiong 651-201-7580

**Agency Fiscal Note Coordinator Signature:** Nicole Mickelson

**Phone:** 651-201-7045

**Date:** 3/11/2024 10:44:20 AM

**Email:** nicole.mickelson@state.mn.us



# Revised

## Fiscal Note

2023-2024 Legislative Session

### SF3250 - 0 - Open Bidding Process Requirement

Chief Author: **Foung Hawj**  
Committee: **Transportation**  
Date Completed: **3/11/2024 10:47:03 AM**  
Agency: **Administrative Hearings**

| 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.  
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|-------------------------|----------|--------|--------|----------|--------|
|                         | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Dollars in Thousands    |          |        |        |          |        |
| Administrative Hearings | -        | -      | -      | -        | -      |
| Total                   | -        | -      | -      | -        | -      |
| Biennial Total          |          |        | -      |          | -      |

| Full Time Equivalent Positions (FTE) | Biennium |        |        | Biennium |        |
|--------------------------------------|----------|--------|--------|----------|--------|
|                                      | FY2023   | FY2024 | FY2025 | FY2026   | FY2027 |
| Administrative Hearings              | -        | -      | -      | -        | -      |
| 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:** 3/11/2024 8:39:29 AM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov



# Revised

## State Cost (Savings) Calculation Details

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| <b>State Cost (Savings) = 1-2</b>                        |   | <b>Biennium</b> |           |        | <b>Biennium</b> |        |
|--|---|-----------------|-----------|--------|-----------------|--------|
| Dollars in Thousands                                     |   | FY2023          | FY2024    | FY2025 | FY2026          | FY2027 |
| Administrative Hearings                                  | - | -               | -         | -      | -               | -      |
| <b>Total</b>   | - | -               | -         | -      | -               | -      |
| <b>Biennial Total</b>                                    |   |                 |           | -      |                 | -      |
| <b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b> |   |                 |           |        |                 |        |
| Administrative Hearings                                  | - | -               | 12        | -      | -               | -      |
| <b>Total</b>   | - | -               | <b>12</b> | -      | -               | -      |
| <b>Biennial Total</b>                                    |   |                 | <b>12</b> |        |                 | -      |
| <b>2 - Revenues, Transfers In*</b>                       |   |                 |           |        |                 |        |
| Administrative Hearings                                  | - | -               | 12        | -      | -               | -      |
| <b>Total</b>   | - | -               | <b>12</b> | -      | -               | -      |
| <b>Biennial Total</b>                                    |   |                 | <b>12</b> |        |                 | -      |

## Bill Description

SF3250 provides for the Department of Public Safety (DPS) to conduct rulemaking to administer and enforce an open bidding process for selecting a replacement deputy registrar and replacement driver's license agent in the event that a deputy registrar or driver's license agent stops offering services at an approved office location and permanently closes an approved office location.

The legislation authorizes DPS to conduct rulemaking to implement the provisions of Section 1 and Section 2.

## Assumptions

The Office of Administrative Hearings (OAH) has used DPS's assumption that a medium rulemaking will be required to meet the requirements of Sections 1 and 2. Based on past practices, OAH assumes that a medium rulemaking under chapter 14 will require an estimated 50 hours of administrative law judge (ALJ) time for activity related to rulemaking procedures. Of the total rulemaking amount estimated by DPS, \$12,250 is for the 50 hours of ALJ time for a medium rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

## Expenditure and/or Revenue Formula

Estimated 50 hours of ALJ time for rulemaking activities related to implementing the requirements of SF3250 = 50 hours x \$245/hr = \$12,250 charged to DPS in FY2025 pursuant to the requirements of Minn. Stat. § 14.53.

## Long-Term Fiscal Considerations

Costs associated with rulemaking activities are a one-time occurrence.

## Local Fiscal Impact

## References/Sources



# Revised

**Agency Contact:** Denise Collins

**Agency Fiscal Note Coordinator Signature:** Denise Collins

**Phone:** 651-3617875

**Date:** 3/11/2024 8:34:10 AM

**Email:** denise.collins@state.mn.us