

SF4162 - 0 - Ins. Cvg for Motor Carriers of Railroad Employees

Chief Author: **Rob Kupec**
 Committee: **Transportation**
 Date Completed: **3/11/2024 4:25:57 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	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
Restrict Misc. Special Revenue	-	-	119	119	119
Total	-	-	119	119	119
Biennial Total			119		238

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

LBO Signature: Laura Cecko **Date:** 3/11/2024 4:25:57 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	-	-	119	119	119
Total	-	-	119	119	119
Biennial Total			119		238
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Restrict Misc. Special Revenue	-	-	119	119	119
Total	-	-	119	119	119
Biennial Total			119		238
2 - Revenues, Transfers In*					
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill gives MnDOT the authority to issue fines/civil penalties to a railroad or motor carrier of railroad employees, when violations of requirements related to training, driver qualifications, insurance, vehicle equipment, testing, and driver hours of service have been found. The bill is effective August 1, 2024.

Assumptions

MnDOT assumes a full-time position would be required to conduct the audits/reviews and time for enforcement through a civil action in court. The cost for this position would be \$38 per hour, plus an additional 50% to account for related overhead costs including fringe benefits. MnDOT anticipates costs would be funded from state rail safety inspection account in the special revenue fund.

There is a potential for gains to the state rail safety inspection account in the Special Revenue fund. It is very difficult, if not impossible, to estimate the number of violations. There could also be varying number of violations within each compliance interaction and the amount in fines could grow based on the number of reoccurring offenses. If there were violations, MNDOT would be represented by the Attorney General's Office. Per billing statements from the AGO, the hourly rate for attorney representation is \$163, and if the case/court proceeding involved travel, MnDOT would be responsible for those expenses as well.

Expenditure and/or Revenue Formula

\$38/hour X 1.5 related overhead costs including fringe benefits X 2,080 hours = \$118,560 (Rounded to \$119,000)

Long-Term Fiscal Considerations

Monitoring costs would be ongoing.

Local Fiscal Impact

None

References/Sources

MnDOT Office of Freight and Commercial Vehicle Operations

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