

Revised

Consolidated Fiscal Note

2023-2024 Legislative Session

SF3975 - 1A - Roadable Aircraft Regulations

Chief Author: **John Jasinski**
Committee: **Transportation**
Date Completed: **3/6/2024 10:42:30 AM**
Lead Agency: **Transportation Dept**
Other Agencies:
 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
Public Safety Dept		-	-	-	-	-
General Fund		-	-	-	-	-
Restrict Misc. Special Revenue		-	-	-	-	-
State Total						
General Fund		-	-	-	-	-
Restrict Misc. Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Public Safety Dept	-	-	-	-	-
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

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 include the absorbed costs by the DPS Office of Traffic Safety.

LBO Signature: Laura Cecko **Date:** 3/6/2024 10:42:30 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
Public Safety Dept		-	-	-	-	-
General Fund		-	-	-	-	-
Restrict Misc. Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Public Safety Dept		-	-	-	-	-
General Fund						
Expenditures		-	-	29	-	-
Absorbed Costs		-	-	(29)	-	-
Restrict Misc. Special Revenue						
Expenditures		-	-	80	-	-
Absorbed Costs		-	-	(80)	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Public Safety Dept		-	-	-	-	-
General Fund		-	-	-	-	-
Restrict Misc. Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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Agency: **Transportation Dept**

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Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology		X
Local Fiscal Impact		X

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Dollars in Thousands					
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:** 3/5/2024 4:41:10 PM
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Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill establishes registration and operation requirements for roadable aircraft and the definitions associated with registering or operating the roadable aircraft.

Assumptions

At this time there are no roadable aircraft owned and operated in the State of Minnesota. It is very difficult, if not impossible, to estimate the number aircraft owned in the future. MnDOT assumes there would be no measurable fiscal impact to MnDOT registering the minimal number of roadable aircraft as an aircraft in the future. MnDOT assumes the Department of Public Safety would be responsible for collecting vehicle registration taxes and crediting to the Highway User Tax Distribution (HUTD) Fund.

Expenditure and/or Revenue Formula

No MnDOT fiscal impact.

Long-Term Fiscal Considerations

Future aircraft and motor vehicle registration taxes could be collected as more roadable aircraft are owned and operated in the state. These respective revenues would be deposited into the State Airports Fund and the HUTD Fund

Local Fiscal Impact

None

References/Sources

MnDOT Office of Aeronautics

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Agency: **Public Safety Dept**

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Dollars in Thousands					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
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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.

This fiscal note was revised to include the absorbed costs by the DPS Office of Traffic Safety.

LBO Signature: Laura Cecko **Date:** 3/6/2024 10:42:14 AM
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State Cost (Savings) Calculation Details

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Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund						
		-	-	-	-	-
Restrict Misc. Special Revenue						
		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill outlines roadable aircraft definitions, registration for use on public streets and highways, and updating airport and aeronautics definitions.

Assumptions

Driver and Vehicle Services

This bill modifies the definition of a motor vehicle to include roadable aircraft. Assume that roadable aircraft will be excluded from autocycle and motorcycle categories.

Assume this bill requires roadable aircraft to obtain a secondary registration in addition to their aircraft registration required under 2023 Minn. Stat. 360.60 to operate the vehicle on public streets and highways.

Assume that due to planned system upgrades to MNDrive that an effective date of August 1, 2024, would not be feasible due to the complexity of programming required to implement this new vehicle class and registration type. Further assume that the typical effective date for registration-related programming changes would be January 1, 2025.

Assume the Department of Public Safety Driver and Vehicle Services Division (DVS) will register roadable aircraft for operation on public streets and highways. Further assume this will be secondary to the aircraft registration required under Minnesota Statutes Chapter 360 and DVS will not be responsible for titling roadable aircraft vehicles.

Assume roadable aircraft will be charged annual registration, including applicable and related fees and surcharges, as outlined in 2023 Minn. Stat. 168.013.

Assume that registration fees will be calculated as if the roadable aircraft were a passenger automobile and based on the

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manufacturer's suggested retail price as outlined in 2023 Minn. Stat. 168.013, subd. 1a, if the gross vehicle weight (GVW) is 10,000 pounds or less and calculated as a truck if the GVW is 10,001 pounds or more as outlined in 2023 Minn. Stat. 168.013, subd. 1e.

Assume the roadable aircraft will be registered under the federal-issued tail number assigned to the aircraft and that no new registration identification number will be issued by DVS.

Assume registration tax is collected by DVS and credited to the Highway User Tax Distribution (HUTD) fund as for other vehicles registered under Minnesota Statutes Chapter 168.

Assume registration will only consist of a certificate of registration and no license plates or decals will be issued.

Assume roadable aircraft kits will be treated like other kit cars as a specially constructed vehicle and will be required to submit documentation and complete a vehicle inspection prior to registration being approved.

Assume an undetermined amount of roadable aircraft will be registered beginning in calendar year 2025 resulting in an undetermined amount of additional registration tax collected by DVS and credited to the HUTD fund.

Assume that obtaining motor vehicle registration in Minnesota does not necessarily permit a roadable aircraft to operate on public streets and highways in other states.

Assume that when an owner relocates to another state and the roadable aircraft is no longer garaged in Minnesota that the owner will obtain registration in the new state if available; making the Minnesota registration null and void.

Assume that applicable forms and training materials will be modified to include the necessary information for registering roadable aircraft and made available to state employees, deputy registrars, dealers and the public. The costs associated with updating these documents will be absorbed by DVS with existing resources.

Assume that any Minnesota aircraft dealer selling roadable vehicles will obtain a new and/or used dealer license and adhere to the requirements of maintaining this licensing. Further assume they will be subject to the same inspection requirements as any other new and/or used dealer licensed in Minnesota. Assume any additional license processing and enforcement requirements will be absorbed by existing resources within DVS dealer's unit.

Assume 400 hours of MNDrive programming by FAST for system upgrades to configure the new vehicle class and related accounting fund types and fee-distribution rules. Assume an hourly rate of \$200 for a total programming cost of \$80,000 (400 programming hours x \$200 per hour = \$80,000). Assume programming costs to be absorbed under the current maintenance and support contract with FAST Enterprises, at no additional cost to DVS.

Traffic Safety

This bill modifies the definition of a motor vehicle to include roadable aircraft. Assume that a reportable roadway crash involving a roadable aircraft, as defined as a motor vehicle, must have a crash report completed and filed through the Office of Traffic Safety's (OTS) MNCrash system.

Assume that the MNCrash system will require programming changes to capture and store the unique federally issued tail number. Assume that MNCrash will require updates to business logic, error handling, and database logic. Assume that all of these programming changes will be required on the system's web-based, standalone client, and quick-capture platforms.

Assume that the PDF crash report version will require an update to reflect the tail number field.

Assume that the extract interface will require updates to include the tail number field.

Assume that OTS will update training materials, system guidebooks, and the MNCrash Data Dictionary. OTS will absorb these costs with existing resources.

Assume that OTS will communicate any changes to law enforcement personnel and other stakeholders. OTS will absorb these costs with existing resources.

Assume 300 total hours to accommodate the design, development, and testing required for these changes in the MNCrash

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system. Assume 60 hours total required by the lead architect (contractor) and 240 hours total by two existing MNIT developers (120 hours each). Assume that OTS will absorb these costs.

Assume that due to the complexity of the programming changes and testing requirements, the proposed effective date of August 1, 2024 is not feasible. Assume that January 1, 2025 is feasible to accommodate for programming changes, testing, and communication to stakeholders.

Expenditure and/or Revenue Formula

FY25

DVS

400 programming hours x \$200 per hour = \$80,000

Restricted Special Revenue Driver and Vehicle Services Technology Account Absorbed Costs: \$80,000

Traffic Safety

60 hours by lead architect contractor x \$145 per hour = \$8,700

120 hours by one existing MNIT developer (Info Tech 5) x \$86.23 per hour = \$10,347.60

120 hours by one existing MNIT developer (Info Tech 4) x \$78.96 per hour = \$9,475.20

Total cost absorbed in the general fund: \$28,522.80

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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