

SF294 - 0 - Driver's License Examinations and Fees Modified

Chief Author: **John Jasinski**
 Committee: **Transportation**
 Date Completed: **2/14/2025 1:40:14 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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	(163)	(177)	(177)	(177)
Total	-	(163)	(177)	(177)	(177)
Biennial Total			(340)		(354)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
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:** 2/14/2025 1:40:14 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	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	(163)	(177)	(177)	(177)
Total	-	(163)	(177)	(177)	(177)
Biennial Total			(340)		(354)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Restrict Misc Special Revenue	-	163	177	177	177
Total	-	163	177	177	177
Biennial Total			340		354

Bill Description

Relating to transportation; modifying availability of driver's license road skills examinations online; modifying fees for cancellation of a road skills examination; amending Minnesota Statutes 2024, section 171.13, subdivisions 1, 7. This bill states half of all road test appointments must be available three months out, 75% available two months out, and all available appointments open one month out. This bill also increases no-show fees and extends the time frame of late cancellations.

Assumptions

Future appointments in three-, two-, and one-month increments will apply to all currently available exam stations.

Stations set availability and no programming is needed for extended appointment scheduling. Exam appointments are not set automatically. Stations set appointment availability manually based on staffing levels, trainings, sick time, vacation time off, and other factors.

The current no-show fee of \$20 would be increased to \$50 with this bill. DVS employs a limited degree of discretion in waiving fees in cases of extenuating circumstances and would continue this discretion. In calendar year 2024 DVS recorded 1,284 no-shows and collected 484 no-show fees, totaling \$9,680. Most uncollected fees are from applicants who have rescheduled their exam but have not passed the driving test and applied for a license. Collected fees account for 38% of no shows (484/1,284 = 37.6%). DVS assumes similar numbers of individuals will fail to appear for a scheduled road test or cancel less than 24 hours before the appointment time. This would result in a revenue totaling \$13,310 in FY26 (484 fees x \$30 = \$14,520; \$14,520 / 12 months x 11 months remaining in FY26 = \$13,310).

In FY 2024, DVS recorded 21,427 customer cancellations between 24 and 72 hours before the appointment time. DVS assumes 38% of fees will be collected within the fiscal year, similar to current percentages of no-show fees collected. This would result in an estimated \$149,276 in revenue (21,427 cancellation fees x \$20 = \$428,540; \$428,540 / 12 months = \$35,712; \$35,712 x 11 months remaining in FY26 = \$392,832; \$392,832 x 38% = \$149,276). Actual revenue may be lower if the increased fee amount has an impact on cancellation rates.

Programming will be required to update fee scheduling to include cancellations between 24 and 72 hours. These costs would be minimal and the department would use existing resources to complete.

This will be implemented on or before August 1, 2025.

Expenditure and/or Revenue Formula

FY 2026

No-show fee = \$13,310 (484 fees x \$30 = \$14,520; \$14,520 / 12 months x 11 months remaining in FY26 = \$13,310).

Late cancellation fees = \$149,276 (21,427 cancellation fees x \$20 = \$428,540; \$428,540 / 12 months = \$35,712; \$35,712 x 11 months remaining in FY26 = \$392,832; \$392,832 x 38% of fees collected = \$149,276).

Total FY26 estimated revenue = \$162,586

FY 2027

No-show fee = \$14,520 (484 fees x \$30 = \$14,520)

Late cancellation fees = \$162,845 (21,427 cancellation fees x \$20 = \$428,540; \$428,540 X 38% of fees collected = \$162,845).

Total FY27 and beyond estimated revenue = \$177,365

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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