

HF120 - 1A - Rotary International License Plates

Chief Author: **Heather Edelson**  
 Committee: **Transportation Finance**  
 Date Completed: **2/26/2024 3:31:04 PM**  
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
<b>Local Fiscal Impact</b>		
		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
Restrict Misc. Special Revenue	-	-	-	(1)	(1)	
<b>Total</b>	-	-	-	<b>(1)</b>	<b>(1)</b>	
<b>Biennial Total</b>						<b>(2)</b>

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

**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:** 2/26/2024 3:31:04 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.

<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>
Restrict Misc. Special Revenue	-	-	-	-	(1)	(1)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
<b>Biennial Total</b>				<b>-</b>		<b>(2)</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Restrict Misc. Special Revenue	-	-	2	1	1	1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Biennial Total</b>			<b>2</b>			<b>2</b>
<b>2 - Revenues, Transfers In*</b>						
Restrict Misc. Special Revenue	-	-	2	2	2	2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Biennial Total</b>			<b>2</b>			<b>4</b>

**Bill Description**

This bill establishes Rotary International special plates or a single motorcycle plate to an applicant who is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational motor vehicle.

**Assumptions**

The existing statute, Minn. Stat. 168.1297, authorizing Rotary Member special license plates never met the criteria to be issued, was limited to passenger automobile plates, and does not require an annual contribution fee of any kind. Assume that no plates were ever designed under the existing statute, and that the statute will be repealed because of the conflicts with the proposed statute.

Assume the effective date will be changed to January 1, 2025, to allow time to design and set up new license plate.

Assume this bill creates an additional special plate category.

Assume “recreational vehicles” means self-propelled recreational vehicles.

Assume this plate is authorized for passenger automobiles, noncommercial one-ton pickup trucks, motorcycles, or self-propelled 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 that must include the Rotary International symbol and the phrase “Service Above Self”.

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 current manufacture and issuance cost per plate is \$13.52. Assume this cost includes plate pair with sheeting of \$6.99 per plate, Minncor service fee of \$0.274 per plate, validation stickers at \$0.24 per plate and average mailing cost of \$6.02 per plate.

United States Postal Service (USPS) adjusts rates each January and July. Assume that actual mailing costs will increase in July and again in January by an unknown amount, and total mailing costs will be higher.

Assume customers will pay \$15.50 per plate for double plates as outlined under section 168.12, subdivision 5.

Assume this special plate is exempt from section 168.1293, subdivision 2; therefore, no marketing study has been done to estimate the number of plates that will be requested. Assume that 100 plates will be requested for fiscal years 2025, 2026 and beyond.

Assume customers will contribute a minimum of \$25 annually to the Rotary Foundation account.

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

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

Assume the funds in the Rotary Foundation account will be appropriated to the Department of Public Safety Driver and Vehicle Services Division (DVS). Assume this appropriation must first pay for the annual cost of administering the account funds. Assume the remaining funds are for distribution to the Rotary Foundation to further the rotary's mission of service, fellowship, diversity, integrity, and leadership.

Assume limited hours annually (no more than 8 hours @ \$29.78/hr = \$238.24) for Vehicle Services Management Analyst 2 to generate a report showing contributions collected and submit a request to Fiscal & Admin Services for payment to Rotary Foundation account. Assume the costs for this report can be absorbed by 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 DVS.

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

#### **FY25**

##### Expenditures

#### **Restrict. Misc. Special Revenue Driver & Vehicle Services Operating Account**

Cost to design plate: \$1,000

Cost of plate production and mailing: (100 plates x \$13.52/plate) = \$1,352

Total Expenditures Special Revenue Driver & Vehicle Services Operating Account FY25 = \$2,352 (final cost dependent on the design cost, mailing costs at time of production, and the number of plates requested.)

##### Revenue

#### **Restrict. Misc. Special Revenue Driver & Vehicle Services Operating Account**

100 Rotary International Plates x \$15.50/plate = \$1,550 (Total revenue dependent on the number of plates requested.)

Total Revenue Special Revenue Fund FY25 = \$1,550

#### **FY26 & Beyond**

##### Expenditures

#### **Restrict. Misc. Special Revenue Driver & Vehicle Services Operating Account**

Cost of plate production and mailing: (100 plates x \$13.52/plate) = \$1,352

Total Expenditures Special Revenue Driver & Vehicle Services Operating Account FY26 & beyond = \$1,352 (final cost

dependent on the design cost, mailing costs at time of production, and the number of plates requested.)

Revenue

**Restrict. Misc. Special Revenue Driver & Vehicle Services Operating Account**

100 Rotary International Plates x \$15.50/plate = \$1,550 (Total revenue dependent on the number of plates requested.)

Total Revenue Special Revenue Fund FY26 & beyond = \$1,550

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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