

Fiscal Note

2023-2024 Legislative Session

SF4895 - 0 - Online Driver's Knowledge Test Authorization

Chief Author: **Julia Coleman**
 Committee: **Transportation**
 Date Completed: **3/15/2024 2:01:49 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		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	162	162	162	162
Total	-	-	162	162	162	162
Biennial Total			162			324

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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:** 3/15/2024 2:01:49 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	-	-	-	162	162	162
Total	-	-	-	162	162	162
Biennial Total				162		324
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue						
Expenditures	-	-	-	8	-	-
Absorbed Costs	-	-	-	(8)	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	(162)	(162)	(162)
Total	-	-	-	(162)	(162)	(162)
Biennial Total				(162)		(324)

Bill Description

Relating to motor vehicles; drivers' licenses; modifying certain online knowledge testing provisions; amending Minnesota Statutes 2022, section 171.13, subdivision 9.

Assumptions

Assume with these changes third party proctors can now administer Class D knowledge test an indefinite number of times.

Assume under Minnesota Statutes section 171.13 Subd. 7(a), the \$10 fee for the fourth and subsequent test applies only to exams administered by the Department of Public Safety Driver and Vehicle Services Division (DVS) and is not retroactive to tests taken at third party proctors.

From March 2023 to March 2024, DVS collected \$522,130 in Class D knowledge test fees.

From March 2023 to March 2024, 31% of Class D knowledge tests were conducted at third party proctors.

Assume with this change, 31% of fourth and subsequent tests will be conducted at a third party proctor. Assume DVS will not collect fees on exams conducted at third party proctors. Assume this change results in annual revenue loss of \$161,860 ($522,130 \times 31\% = 161,860$) to the Driver and Vehicle Services Operation Account.

Assume adding ability for third party proctors to conduct more than three exams per customer requires programming costs to MNDRIIVE of \$8,000 (40 hours x \$200/hr = \$8,000). Assume programming costs are absorbed by DVS out of the Driver and Vehicle Services Technology Account under the existing maintenance contract with FAST.

Expenditure and/or Revenue Formula

FY25 absorbed expenditure

FAST programming \$8,000

FY25 and Beyond Revenue

Total Revenue loss FY25 and beyond Miscellaneous Restricted Special Revenue Driver and Vehicle Services Operating Account = (\$161,860) (\$522,130 in exam fees x 31% = \$161,860)

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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