

**NOTE: This is an earlier version of the fiscal note for HF32-0.**

**The most current version is available on the Fiscal Note Search site: <https://mn.gov/mmbapps/fnsearchlbo/>**

**Consolidated Fiscal Note**

**2021-2022 Legislative Session**

**HF32 - 0 - Electric-Assisted Bicycles**

Chief Author: **Steve Elkins**  
 Committee: **Transportation Finance and Policy**  
 Date Completed: **2/1/2021 7:55:54 PM**  
 Lead Agency: **Transportation Dept**  
 Other Agencies:  
     **Natural Resources 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.

<b>State Cost (Savings)</b>	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Natural Resources Dept</b>						
<b>General Fund</b>	-	20	5	5	5	5
<b>State Total</b>						
<b>General Fund</b>	-	20	5	5	5	5
	<b>Total</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>5</b>
	<b>Biennial Total</b>			<b>25</b>		<b>10</b>

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Natural Resources Dept</b>					
General Fund	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

**LBO Signature:** Laura Cecko    **Date:** 2/1/2021 7:55:54 PM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.leg.mn

**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>	
Dollars in Thousands	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Natural Resources Dept</b>					
General Fund	-	20	5	5	5
<b>Total</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Biennial Total</b>			<b>25</b>		<b>10</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
Natural Resources Dept					
General Fund	-	20	5	5	5
<b>Total</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Biennial Total</b>			<b>25</b>		<b>10</b>
<b>2 - Revenues, Transfers In*</b>					
Natural Resources Dept					
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>		<b>-</b>

**Fiscal Note**

**2021-2022 Legislative Session**

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 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		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<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:** 2/1/2021 7:55:40 PM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.leg.mn

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Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

House File 32 modifies and clarifies the classification and regulation of electric-assisted bicycles. It defines Class 1, 2 and 3 electric-assisted bicycles and regulates accordingly for each. It requires the manufacturer or distributor to affix a label on the bicycles which includes the classification number and top assisted speed and motor wattage, and requires a speedometer on each electric-assisted bicycle.

**Assumptions**

This bill has no fiscal impact to MnDOT.

**Expenditure and/or Revenue Formula**

There is no fiscal impact to MnDOT.

**Long-Term Fiscal Considerations**

None

**Local Fiscal Impact**

There may be needed changes to signage, etc. for local governments that have jurisdiction over certain bicycle paths and trails.

**References/Sources**

MnDOT Office of Transit and Active Transportation

**Agency Contact:**

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**Agency Fiscal Note Coordinator Signature:** Lynn Poirier

**Date:** 2/1/2021 6:08:29 PM

**Phone:** 651-366-4869

**Email:** Lynn.Poirier@state.mn.us

**Fiscal Note**

**2021-2022 Legislative Session**

**HF32 - 0 - Electric-Assisted Bicycles**

Chief Author: **Steve Elkins**  
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 Agency: **Natural Resources Dept**

State Fiscal Impact	Yes	No
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Tax Revenue		X
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Local Fiscal Impact		X

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General Fund	-	20	5	5	5
<b>Total</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>5</b>
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Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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:** Jim Carlson      **Date:** 1/27/2021 2:00:38 PM  
**Phone:** 651-284-6540      **Email:** jim.carlson@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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General Fund	-	20	5	5	5
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<b>Biennial Total</b>			<b>25</b>		<b>10</b>
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General Fund	-	20	5	5	5
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<b>Biennial Total</b>			<b>25</b>		<b>10</b>
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>		<b>-</b>

**Bill Description**

In general the legislation aims at tightening up definitions and the use of an emerging technology related to electric-assisted bicycles.

It changes electric-assisted bicycles by creating three classes:

Class 1 must be pedaled to engage the electric motor up to 20 mph.

Class 2 do not need to be pedaled to engage the electric motor up to 20 mph.

Class 3 must be pedaled to engage the electric motor up to 28 mph.

The bill lowers the maximum watts from 1,000 to 750 for all three classes of electric-assisted bicycles.

The bill requires the bicycle manufacturer, or anyone who modifies the electric-assisted bicycle, to properly label the maximum speed the electric engine engages as well as the maximum watts. It also requires Class 3 electric-assisted bicycles to have a speedometer.

The bill allows trail authorities to restrict the use of Class 1 and 2 electric-assisted bicycles if they determine they are unsafe on the trail. Class 3 electric-assisted bicycle restrictions do not need any justification.

All three classes can be restricted on "natural surface tread made by clearing and grading the native soil with no added surfacing materials."

**Assumptions**

Current law (M.S. 85.015, subd. 1d) states that the DNR may not prohibit or otherwise restrict operation of an electric-assisted bicycle as defined in M.S. 169.011 subd. 27. This category is directly amended in this bill in Section 8. As a result of this bill as written, the DNR would need to allow an electric assisted bike that exceeds the current speed limits with the establishment of the proposed class 3 bicycle and would necessitate the agency to update rules and limit or manage use to ensure the safety of other users.

DNR continues to regulate electric-assisted bicycles as we currently are doing.

DNR staff currently manage the use of electric-assisted bicycles on DNR trails.

Multi-use trails are shared by bicyclists, people walking, roller blading, etc. There are safety issues related to increasing the speed of the Class 3 electric-assisted bicycle to 28 mph when being used on multi-use trails.

The DNR needs to limit the use of Class 3 electric-assisted bicycles on 25 state trails and multi-use trails in state park and recreation areas around the state to minimize safety risks.

Allow electric-assisted bicycles to be restricted on non-motorized mountain bike trails.

DNR does not have any problems with the definitions related to distinguishing electric-assisted bicycles from other motorized recreational vehicles.

Electric-assisted bicycles are growing in popularity and use.

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

The following outlines the administrative and management action costs to limit or manage Class 3 electric-assisted bicycles on 25 state trails and multi-use trails in state parks and recreation areas.

Staffing cost estimate: Up to .2 FTE will be needed for 6 months to work with staff and stakeholders to determine restrictions, draft a Commissioner's Order to put restrictions for Class 3 electric-assisted bicycles in place, enforcement of restrictions, signing, and educational efforts. Using the DNR FTE cost of \$123,000 per year the estimated staffing cost is \$12,300.

$(\$123,000 \times .2 \text{ FTE for six months}) / 2 = \$12,300$

Signage cost estimate: Additional cost for signage was based on average cost of developing and purchasing signs and decals to adequately convey information at the trail heads, major intersections, parking lots, etc. The first year signing cost is estimated at \$7,700. Then an ongoing \$5,000 annual cost for signing and incidental staff time.

Total cost to the DNR would be in the range of \$20,000 for the first year of implementation and \$5,000 ongoing annual cost for signing and incidental staff time.

### **Long-Term Fiscal Considerations**

Administrative costs could be higher than estimated if the popularity of these electric-assisted bicycles increases and the demand for access to trails increases.

### **Local Fiscal Impact**

N/A

### **References/Sources**

DNR policies and sign manual

#### **Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Emily Engel

**Date:** 1/27/2021 1:42:47 PM

**Phone:** 651-259-5548

**Email:** emily.engel@state.mn.us