

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 701** HLS 21RS 1112  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**  
 Proposed Amd.:  
 Sub. Bill For.: **HB 636**

<b>Date:</b> June 8, 2021	5:40 PM	<b>Author:</b> PIERRE
<b>Dept./Agy.:</b> Transportation and Development		<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> DOTD authority over high-occupancy vehicle lanes		

HIGHWAYS REF INCREASE SG EX See Note Page 1 of 2  
 Provides relative to the Department of Transportation and Development's authority over high-occupancy vehicle lanes on state highways

Proposed law authorizes the secretary of DOTD to designate high-occupancy vehicle (HOV) lanes and to exercise police powers; requires any travel lane designated as HOV to be used for the exclusive use of HOVs; authorizes DOTD to establish permitting requirements to authorize access to HOV lanes; provides for violations; provides for establishment of an HOV fine not to exceed \$100; provides the registered owner is liable for payment of penalties, fees and charges; provides for exceptions; allows for warnings; provides for penalty collection processes; authorizes penalties for late payments or failure to pay; provides for timelines; provides for video recording, photograph or other electronic data to be admissible in an HOV violation proceeding; authorizes the department to hire or contract for an appropriate workforce necessary to carry out the provisions of this measure; provides that this measure do not preclude any police officer from enforcing laws within a designated HOV lane but does restrict DOTD from issuing an additional citation if already cited. Proposed law authorizes a \$100 reinstatement fee payable to the Office of Motor Vehicles.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	SEE BELOW	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will likely increase SGR expenditures within the LA Department of Transportation and Development associated with developing High Occupancy Vehicle (HOV) lane permitting and enforcing usage thereof. While this fiscal note denotes potential expenditure impacts to SGR means of financing, any lack of SGR resources is assumed to require one-time or recurring expenditures out of the SGF or statutory dedications out of the Transportation Trust Fund - Regular. Proposed law authorizes the secretary of DOTD to exercise the police powers of the state as necessary to maintain the peace and accomplish the orderly handling of his authority to designate high-occupancy vehicle (HOV) lanes on any highway in the state highway system. The department is authorized to establish permitting requirements for motor vehicles using HOV lanes, including registration of the HOV with the department prior to utilizing the lane. Assuming the department exercises its authority to establish permitting requirements for, and police the usage of, HOV lanes, the department is likely to realize significant expenditures associated with permitting and enforcement activities.

As these activities are currently undefined and unimplemented, any such costs are speculative and cannot be estimated. However, DOTD is likely to realize significant expenditures to capitalize an enforcement mechanism (either personnel and vehicles or electronic monitoring technology) and will potentially require additional recurring personnel expenditures to

**SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law will likely increase SGR revenues to DOTD associated with HOV lane violations, administrative fees and penalties for late payment. Proposed law provides that "where a record generated by an HOV monitoring system shows an HOV violation by a motor vehicle, the vehicle's registered owner shall be liable to make prompt payment to the department of the proper penalty and, except as provided in this Section, an administrative fee of \$25 to recover the cost of collecting the penalty." Additionally, a registered owner who fails to submit payment or otherwise respond to an HOV violation within 30 calendar days may incur a late charge of \$5 to cover additional costs of collecting the penalty. Due to the language stipulating "payment to the department," the LFO assumes the intent of this legislation is to accrue any permitting and penalty collections to the department as self-generated revenues and that payments for violations are not intended to accrue to the local governing authority of the jurisdiction where the violation occurs.

Proposed law provides that the penalty for an HOV violation shall be a fine of not more than \$100. DOTD is further authorized to assess certain penalties for late payment. The administrative fee and penalty amount for late payment are not specified in this measure and assumed to be established by future administrative rule making by the department. The magnitude of any such potential revenues is speculative and cannot be estimated.

**SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO**

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**  
**EXPENDITURE IMPACT CONTINUED FROM PAGE ONE**

process violations if such workload is significant, such as the department violation clerk referenced in the measure. The department will be required to provide violation notices by first-class mail to the registered owner of the motor vehicle at the owner's address of record. The department shall be required to notify the Office of Motor Vehicles of delinquent violation payments and OMV shall not renew the driver's license of the registered owner until after notice from the violation clerk that the matters have been disposed of in accordance with law.

Proposed law will create an expenditure impact to the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) associated with coding changes to driver's license system. DPS estimates a one-time SGF cost of \$20,000 to make coding changes. OMV reports that the Office of Technology Services (OTS) would perform this work at an estimated 250 hours of overtime by an IT Management Consultant Developer (250 hours x \$80 per hour = \$20,000). The LFO believes that any additional IT work associated with this legislation will be incremental in nature and the department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the department may require additional resources. The LFO assumes this action will not be taken until such time that DOTD creates an HOV lane and HOV lane permitting process.

OMV reports that it is unable to determine the impact of processing delinquent violations. Each reinstatement staff member is required to perform 12,000 transactions per year, so any increase in transactions above the agency's current capacity would result in the need to add one T.O. position per 12,000 transactions. As there is currently no HOV lane or penalty mechanism in place, any such change is speculative and dependent upon future creation of such a mechanism.

**REVENUE IMPACT CONTINUED FROM PAGE ONE**

OMV may realize an indeterminable increase in SGR revenues associated with a \$100 reinstatement fee required of violators who do not timely pay violations and subsequently are unable to renew or reissue a driver's license or vehicle registration. The magnitude of any such revenues are speculative and will depend on the creation of HOV lanes, an HOV permitting process, and the number of HOV violations that are not timely paid.

Senate      Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
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