

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 679** HLS 25RS 1742
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2025 8:40 PM **Author:** BAYHAM
Dept./Agy.: Motor Vehicles **Analyst:** John McKay
Subject: Fees associated with updating driver's license to meet REAL ID standards

MTR VEHICLE/DRIVER LIC EG DECREASE SG RV See Note Page 1 of 1
 Reduces the fee applicable to updating a driver's license to comply with REAL ID standards to a handling fee

Proposed bill removes the \$5 fee for a duplicate driver's license when an applicant updates a driver's license to become REAL ID compliant prior to the license becoming eligible for renewal.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$33,732	\$0	\$0	\$0	\$0	\$33,732
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$33,732	\$0	\$0	\$0	\$0	\$33,732

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed bill will result in a one-time increase in SGR expenditures for the Department of Public Safety, Office of Motor Vehicles (OMV) by \$33,732 in FY 26, related to updating the current OMV database and reporting system by adding a new field to track charges related to the issuance of REAL ID-compliant licenses. The Office of Technology Services (OTS) will need to develop, test, and implement the required changes to the driver's license system. OTS would perform this work at an estimated 350 hours of overtime by a Senior Application Developer (350 hours x \$95 per hour = \$33,250 x 1.45% Medicare tax = \$482; a total of \$33,732).

REVENUE EXPLANATION

Proposed measure will decrease SGR in the Department of Public Safety, Office of Motor Vehicles (OMV), by an indeterminable amount, to the extent that applicants request the issuance of a new driver's license solely for the purpose of updating the REAL ID credential on their current license. Proposed legislation eliminates the \$5 fee for a duplicate driver's license for applicants updating the REAL ID credential on their driver's license. As of 4/24/25, a total of 1,859,797 driver's licenses were noncompliant with REAL ID standards. If all 1,859,797 individuals were to update their driver's licenses to be REAL ID-compliant under the proposed bill, the maximum impact would be a \$9.3 M decrease in SGR (1,859,797 driver's licenses x \$5 fee = \$9.3 M). For reference, the table below displays the incremental fee changes based on license class and residency status.

License Class	New Orleans Resident	Current Fee	Proposed Fee	Difference
A, B, or C	Non-New Orleans	\$5.00	\$0	(\$5.00)
A, B, or C	New Orleans	\$5.00	\$0	(\$5.00)
D	Non-New Orleans	\$5.00	\$0	(\$5.00)
D	New Orleans	\$5.00	\$0	(\$5.00)
D (Age 70+)	Non-New Orleans	\$5.00	\$0	(\$5.00)
D (Age 70+)	New Orleans	\$5.00	\$0	(\$5.00)
E	Non-New Orleans	\$5.00	\$0	(\$5.00)
E	New Orleans	\$5.00	\$0	(\$5.00)

For illustrative purposes, there are currently 1,431,396 Class E personal driver's licenses that are not REAL ID compliant. If 10% of those individuals requested a new license solely to update their REAL ID credential, it would result in a \$715,698 decrease in SGR. The \$715,698 decrease in SGR for OMV is calculated as follows:

Proposed law (143,140 class E licenses x \$0.00 fee = \$0)
 Current law (143,140 class E licenses x \$5.00 fee = \$715,698)
 (\$715,698) decrease

<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 checked="" 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}	

Patrice Thomas
 Deputy Fiscal Officer