



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 547** HLS 17RS 1107
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2017 10:20 AM	Author: HAZEL
Dept./Agy.: Office of Motor Vehicles/Dept. of Veterans Affairs	
Subject: Driver's License Fee Increase, Provisions for Deposit	Analyst: Zachary Rau

MTR VEHICLE/DRIVER LIC OR +\$878,206 SD RV See Note Page 1 of 1
 Provides for an additional fee on driver's license applications to benefit the Military Family Assistance Fund

Present law provides for driver's license fees in the City of New Orleans and State of Louisiana for all classes. Proposed law increases all license fees by \$1 and further provides that the additional \$1 be deposited in the LA Military Family Assistance Fund.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$878,206	\$787,497	\$44,439	\$38,456	\$676,315	\$2,424,913
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$878,206	\$787,497	\$44,439	\$38,456	\$676,315	\$2,424,913

EXPENDITURE EXPLANATION

The Dept. of Public Safety (DPS) estimates the proposed legislation will require 95 hours of overtime at a cost of \$6,239 to update the Unisys mainframe for the \$1 fee increase (see Revenue Explanation), as well as modifications to the finance system, ISIS system, and Mapper/Bisprod system. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that 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, DPS may require additional resources.

The \$1 fee increase for driver's licenses statewide outlined in the proposed law will accrue to the LA Military Family Assistance Fund. While the proposed legislation deposits fee revenues into the fund, it does not alter the fund's purpose, functions, or associated expenditures. For reference, the LA Military Assistance Fund mainly receives revenues through donations, gifts, and grants. Resources in the fund are primarily used to pay need-based claims of family members of activated or honorably discharged active duty military personnel as authorized by the LA Military Family Assistance Board. For reference, the fund has received an average deposit of \$78,691 during FYs 15 - 17 and has a current balance of \$411,572. The fund began FY 17 with a balance of \$777,529, but realized disbursements of \$421,603 associated with checks for flood relief.

Proposed law will increase funds available to be distributed pursuant to LA R.S. 46:122, although disbursements on a year-to-year basis are dependent upon circumstances that are unpredictable and based upon identified need.

REVENUE EXPLANATION

Proposed law will increase revenues for the statutorily dedicated LA Military Family Assistance Fund by an indeterminable amount annually. The proposed legislation increases fees for all classes of drivers licenses statewide by \$1 and provides that the additional \$1 be deposited in LA Military Family Assistant Fund.

The Dept. of Public Safety, Office of Motor Vehicles (OMV) reports approximately 3,000,000 licensed drivers (all classes) as of April 11, 2017. Furthermore, OMV states that the transition from a four-year credential to a 6-year credential pursuant to Act 807 of 2014 creates an uneven distribution of license renewals, with years 5 and 6 of the credential cycle realizing fewer renewals. Years 5 and 6 of the renewal cycle will occur in FYs 20 - 21. For reference, DPS estimates a five-year potential revenue gain to be transferred to the LA Military Family Assistance Fund in the following amounts by fiscal year: FY 18 - \$878,206; FY 19 - \$787,497; FY 20 - \$44,439; FY 21 - \$38,456; FY 22 - \$676,315.

In the aggregate, revenues will approach approximately \$3,000,000 during the course of the 6-year renewal cycle. Actual collections will vary from year-to-year depending upon license renewals, new licenses being issued, and the non-renewal of licenses. However, deposits into the LA Military Family Assistance Fund will be uneven and be in a reduced amount every fifth and sixth year of the renewal cycle.

- | | | |
|--|----------------------------|--|
| <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} |

Evan Brasseaux

Evan Brasseaux
Staff Director