

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 603** HLS 17RS 1048

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 12, 2017 9:51 AM	Author: FALCONER
Dept./Agy.: Dept. of Public Safety, Office of Motor Vehicles	Analyst: Zachary Rau
Subject: Increased Fees, Contract Renewals for Public Tag Agents	

MOTOR VEHICLES

OR SEE FISC NOTE GF EX

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Increases charges and clarifies contract requirements relative to public license tag agents

Proposed law changes references in present law regarding public tag agent offices (PTAs) from "convenience fees" to "convenience charges." Proposed law increases PTA convenience charge maximums for certain services by \$10, from \$18 to \$28. Proposed law requires the Dept. of Public Safety, Office of Motor Vehicles to provide contract renewal information to PTAs at least 60 days prior to the expiration of the contract. Proposed law further provides that PTAs must return renewal documentation no less than 30 days prior to expiration of the contract. Proposed law requires the Dept. of Public Safety, Office of Motor Vehicles (OMV) to provide contract non-renewal information to PTAs at least 60 days prior to the expiration of the contract, and cite causes for non-renewal outlined in present law. Proposed law provides for automatic renewal of the contract for two years, subject to the payment of the renewal fee and surety bond provisions in present law, if OMV does not comply with proposed law. Proposed law requires the OMV to promulgate rules to conform with the provisions of proposed law.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
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						

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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law does not have an explicit expenditure impact. However, the maximum convenience charge increase of \$10 for public tag agents (PTAs), from \$18 to \$28, may potentially alter consumer behavior, driving some consumers from PTAs to local Office of Motor Vehicles locations for services, representing an implicit cost associated with the proposed law. Such a shift cannot be predicted, but is possible. It is uncertain if the increased PTA convenience charge will affect consumer behavior to the degree that it will drive a significant number of consumers from PTAs to OMV-managed offices for services. To the extent a significant number of consumers seek services at OMV locations statewide in lieu of PTAs, OMV may require additional resources presumed to be SGF and/or SGR, as well as personnel to accommodate the increased workload. The extent to which this may occur, as well as the associated increased need for state resources, is indeterminable.

Furthermore, provisions of proposed law concerning OMV promulgating rules and renewing contracts with PTAs may increase administrative expenditures by a marginal amount. The Legislative Fiscal Office assumes that the marginal administrative expenditure increase can be absorbed using existing resources and budget authority.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The increased convenience charges outlined in proposed law will accrue to privately-held public tag agent offices.

Senate

Dual Referral Rules

House

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

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

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

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

Evan Brasseaux

Evan Brasseaux
Staff Director