

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



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 22, 2017	12:52 PM	<b>Author:</b> FALCONER
<b>Dept./Agy.:</b> Dept. of Public Safety, Office of Motor Vehicles		
<b>Subject:</b> Increased Fees, Contract Renewals for Public Tag Agents		<b>Analyst:</b> Zachary Rau

MOTOR VEHICLES

EG SEE FISC NOTE GF EX See Note

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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 \$6, from \$18 to \$24 (with the exception of motor carriers, which shall retain an \$18 maximum). Proposed law requires the OMV to promulgate rules to conform with the provisions of proposed law.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
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><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law does not have an explicit expenditure impact. However, the maximum convenience charge increase of \$6 for public tag agents (PTAs), from \$18 to \$24, 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.

**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  
 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}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**