

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 687** HLS 17RS 2582

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 606**

Date: May 24, 2017 6:24 AM	Author: HAVARD
Dept./Agy.: Dept. of Public Safety, Office of Motor Vehicles	Analyst: Zachary Rau
Subject: Terms of Contracts with Public Tag Agents	

MOTOR VEHICLES

EG SEE FISC NOTE SG EX

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Clarifies contract requirements relative to public license tag agents

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. Present law allows OMV to suspend, revoke, cancel, or impose restrictions on PTAs under contract. Proposed law states that OMV must notify PTAs in writing that it is not authorized to operate for it to be considered a cause for suspension, revocation, cancellation, or restriction. Proposed law adds new causes for penalty for PTAs, including willfully and knowingly submitting erroneous documents. Proposed law removes provision of present law prohibiting a stay of OMV action regarding a cause for penalty in the event a PTA requests an administrative hearing.

EXPENDITURES	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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may increase SGR expenditures for the Dept. of Public Safety, Office of Motor Vehicles (OMV) by an indeterminable amount in the event that OMV must prove that a public tag agent submitted an erroneous document "willfully and knowingly." The proposed law includes a provision that public tag agents (PTAs) may be penalized for the submission of erroneous documents "knowingly and willfully," which represents an additional burden of proof for OMV in the event they see cause to penalize a PTA for the infraction. As a result of the additional burden of proof, OMV may realize additional legal fees associated with proving that PTAs intentionally submitted erroneous documents. Because the number of times this situation may occur is unknown, the potential increased expenditures are unknown.

Provisions of proposed law concerning OMV promulgating rules and mailing notices of renewal/non-renewal of contracts with public tag agents 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.

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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