

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 52** HLS 17RS 357
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2017 6:00 PM	Author: CONNICK
Dept./Agy.: Transportation and Development	
Subject: Dedication of truck and trailer fees in certain parishes	Analyst: Alan M. Boxberger

FUNDS/FUNDING EG SEE FISC NOTE SD EX See Note Page 1 of 2

Changes the dedication of a portion of the truck and trailer fees collected in certain parishes and creates the Regional Maintenance and Improvement Fund

Present law dedicates 50% of all motor vehicle license taxes collected in Orleans, Jefferson, St. Charles, St. John the Baptist, Tangipahoa, and St. Tammany parishes to State Highway Fund Number 2 (SHF2) for the Greater New Orleans Expressway Commission (GNOEC); dedicates 50% of motor vehicle license taxes on trucks and trailers collected in specified parishes to the Transportation Trust Fund (TTF); and dedicates a portion of the motor vehicle license tax on trucks and trailers collected in Orleans Parish to the New Orleans Ferry Fund (NOFF) and provides that the Fund terminates on June 30, 2018. Proposed law creates the Regional Maintenance and Improvement Fund, provides for uses thereof and specifies allocation by parish of origin; repeals sunseting of the NOFF; reduces the 50% dedication of motor vehicle license taxes on trucks and trailers into the TTF beginning 7/1/17; and specifies that after existing allocation to the GNOEC and the New Orleans Ferry Fund, the balance of the remaining 50% collection of funds shall be transferred half into the TTF and half into the Regional Maintenance and Improvement Fund to be appropriated as specified in proposed law.

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

EXPENDITURE EXPLANATION

Proposed law will reallocate deposits of approximately \$2.65 M to \$3.0 M annually from the Transportation Trust Fund (TTF) into the Regional Maintenance and Improvement Fund annually beginning in FY 18 and an additional amount of approximately \$1.2 M annually from the TTF into the New Orleans Ferry Fund beginning in FY 19. Proposed law does not change the total expenditure of funds, but rather reprioritizes the allocation between the various statutory dedications for specific expenditure purposes.

Proposed law will reallocate deposits of approximately \$2.65 M to \$3.0 M annually from the TTF to the Regional Maintenance and Improvement Fund. Proposed law creates the Regional Maintenance and Improvement Fund and provides that monies collected from motor vehicle license taxes on trucks and trailers in the parishes of Jefferson, Tangipahoa, and St. Tammany shall be appropriated to the Regional Planning Commission and that those same monies collected in the parishes of St. Charles and St. John the Baptist shall be appropriated to the South Central Planning and Development Commission (see NOTE 1 at bottom on page 2). Proposed law stipulates that appropriations to these entities shall be used exclusively for maintenance and improvement of state highways in the respective parishes. This reallocation will reduce monies deposited into the TTF that are used for the overall operating, maintenance and construction expenses of the state's transportation system beginning in FY 18.

Proposed law will also eliminate the sunset provisions applying to the New Orleans Ferry Fund. Each fiscal year the treasury deposits into the fund an amount equal to all of the funds derived from the collection of motor vehicle license taxes on trucks and trailers in the parish of Orleans. Proposed law will result in funds totaling approximately \$1.25 M annually to continue being deposited into the New Orleans Ferry Fund to provide for ferry services in the New Orleans region instead of being appropriated to the TTF beginning July 1, 2018, as would occur if the fund sunsets as per present law. This reallocation will reduce monies deposited into the TTF that are used for the overall operating, maintenance and construction expenses of the state's transportation system beginning in FY 19.

Continued on page 2

REVENUE EXPLANATION

Proposed law will result in approximately \$2.65 M to \$3.0 M annually to be deposited into the Regional Maintenance and Improvement Fund instead of the Transportation Trust Fund beginning in FY 18. Proposed law will result in approximately \$1.2 M annually to be deposited into the New Orleans Ferry Fund instead of the Transportation Trust Fund beginning in FY 19. Proposed law does not change total revenue collections, but reallocates deposit of those collections between the various statutory dedications for specific expenditure purposes.

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}

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CONTINUED EXPLANATION from page one:

Continued Expenditure Explanation from Page 1

Proposed law creates the Regional Maintenance and Improvement Fund. The Louisiana Department of Treasury will incur SGF costs related to the creation of a new statutory dedication, including fund accounting, financial reporting, banking and custodial functions. These costs are typically small for individual statutory dedications (likely to be several thousands of dollars) and are typically absorbed within existing resources until cumulative additional dedications necessitate that increased resources be provided. At the point additional resources are necessary, the Treasury reports it will require one additional T.O. position with total personal services costs of approximately \$71,000 as well as one-time costs associated with acquisition of office equipment at approximately \$2,450.

Proposed law will require approximately 80 hours of overtime for coding changes to the Vehicle Registration and Financial Accounting systems at an estimated one-time SGF cost of \$5,478 according to the Department of Public Safety. This estimate includes modifications to the OMV accounting system, reports and database. The Legislative Fiscal Office believes that any additional IT work associated with this legislation can potentially be accomplished utilizing existing resources. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional budget resources.

NOTE 1: Proposed law appears to require a direct appropriation to the Regional Planning Commission and the South Central Planning and Development Commission out of the Regional Maintenance and Improvement Fund. Neither of these entities are state budget units. The LFO assumes that appropriation of the relevant funds would be made to DOTD and in turn distributed to the two intended entities through Cooperative Endeavor Agreements, as is current practice with funds sent to the Regional Planning Commission for enhanced lighting and maintenance via the Crescent City Transition Fund.

NOTE 2: In addition to the New Orleans Ferry Fund, DOTD currently is required in statute to allocate \$4.0 M annually from the TTF for the operation of the Chalmette ferry across the Mississippi River.

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}

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