

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 241** HLS 18RS 141
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 19, 2018 7:50 PM	Author: STEFANSKI
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles	Analyst: Ryan Guidry
Subject: Expiration of Class D and E Drivers' Licenses at Age 21	

LICENSING OR INCREASE SG RV See Note Page 1 of 1
 Provides for the expiration of Class "D" and "E" drivers' licenses on a person's twenty-first birthday

Present law provides that Class D and E driver's licenses expire on the anniversary of the birthday of the applicant which is nearest to a period of six years subsequent to the issuing of the license, unless suspended, revoked, or canceled prior to that time.

Proposed law mandates that any Class "D" or "E" driver's license that is issued to a person under the age of 21 will expire upon that person's 21st birthday, unless suspended, revoked, or canceled prior to that time.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION
 The Department of Public Safety (DPS), Office of Motor Vehicles (OMV) reports expenditures will increase by an indeterminable, one-time amount for programming changes by OTS to incorporate the new expiration date into the existing system. The Legislative Fiscal Office believes 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.

REVENUE EXPLANATION
Proposed law will significantly increase SGR revenue for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) by an indeterminable amount. Present law provides that any class "D" or "E" driver's license issued to a person remains in force for a period of six years regardless of the applicants age. Proposed law would cause any class "D" or "E" driver's license issued to a person under twenty-one years of age after the effective date of the law to expire on that person's 21st birthday. An applicant must be at least seventeen years of age to obtain a class "D" or "E" driver's license, with the exception class "E" learners license issued at age fifteen and an intermediate class "E" licensed issued at age sixteen. For the population age sixteen to twenty issued a class "D" or "E" license after the effective date of proposed law, each licensee would renew such license and pay the associated fees sooner than the six year expiration set in present law. To the extent that persons under the age of twenty-one will renew their class "D" or "E" licenses sooner than the current six-year expiration, additional fees will accrue to OMV per the existing fee schedule.

OMV reports the current number of licensees under twenty-one by age group as follows: 15 years of age - 11,146; 16 years of age - 25,261; 17 years of age - 34,349; 18 years of age - 41,993; 19 years of age - 45,699; 20 years of age - 46,546. Assuming that the current data is reflective of prospective licensees, approximately 45,000 drivers at age twenty will have a driver's license expire on their 21st birthday annually. Proposed law would prospectively generate a maximum of approximately \$1,451,250 (45,000 X \$32.25 fee) each fiscal year once the existing license holders age out of the under twenty-one age brackets. Prospective new or first-time licensees will incur a renewal fee on their 21st birthday, but will not incur one on the existing schedule under present law so revenues will decrease in future fiscal years accordingly. Because the number of driver's licenses that will be issued within each age bracket is unknown, the net impact of requiring a person to renew on their 21st birthday instead of six years from issuance is indeterminable.

For illustrative purposes, a person seventeen years of age issued a class "D" or "E" driver's license in FY 19 under present law would have an expiration date that would fall in FY 25, outside the range of this fiscal note. Under proposed law, the same individual issued a driver's license in FY 19 would have an expiration date in FY 23. To the extent proposed law will accelerate the expiration date for individuals acquiring a license under twenty-one years of age, revenues will increase in FYs 19-23.

Furthermore, a driver's license issued to a person under twenty-one years of age is printed in a vertical format. OMV reports that approximately 5,000 individuals obtain a duplicate license after their twenty-first birthday to have the license printed in a horizontal format at a fee of \$16. To the extent that proposed law may eliminate the desire of an individual to obtain a duplicate license, any increase in revenue may be offset by up to \$80,000 per year (5,000 applicants X \$16 fee).

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| <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} |

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