

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 588** HLS 18RS 789

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|-----------------------------|
| Date: April 18, 2018 | 9:16 AM | Author: COUSSAN |
| Dept./Agy.: Dept of Transportation and Development/Dept. Public Safety | | Analyst: Ryan Guidry |
| Subject: Lafayette Maintenance and Improvement Fund | | |

FUNDS/FUNDING

OR SEE FISC NOTE SD RV

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Dedicates a portion of truck and trailer fees collected in Lafayette Parish

Present law provides that all fees and taxes associated with vehicle registration are collected by the state treasurer monthly and distributed to the Transportation Trust Fund, the State Highway Improvement Fund, State Highway Fund No. 2, and the New Orleans Ferry Fund. Proposed law retains present law and adds that the Lafayette Maintenance and Improvement Fund receive a monthly allocation of the fees and taxes associated with certain vehicle registrations collected by the state treasurer. Present law provides for the distribution of registration and license fees and taxes collected by the state into certain funds before deposit into the State Highway Improvement Fund. Proposed law retains present law but adds an allocation to the Lafayette Maintenance and Improvement Fund prior to allocating registration and license fees and taxes into the State Highway Improvement Fund. Proposed law establishes the Lafayette Maintenance and Improvement Fund as a special treasury fund and requires registration and license fees and taxes collected pursuant to present law in Lafayette Parish to be deposited into the fund.

| 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 | 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> | \$0 |
| Annual Total | | | | | | |

| 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. | \$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> | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

Proposed law will reallocate approximately \$2.5 M of certain monies to be deposited into the new created Statutory Dedication - Lafayette Maintenance and Improvement Fund. The fund will be subject to appropriation by the legislature and can be used exclusively by the Lafayette Consolidated Government for transportation projects. Absent proposed law, the specified monies would be deposited into the State Highway Improvement Fund for authorized uses.

The Office of Motor Vehicles (OMV) reports that the proposed law will increase SGF expenditures by \$50,000 for one-time updates to the International Registration Plan (IRP) solution to begin tracking interstate collections by parish domicile code (See Revenue Explanation). 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 (presumed to be SGF).

Creating a new statutory dedication (Lafayette Maintenance and Improvement Fund) within the state treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds and at some threshold the agency may require additional staff resources and incur additional SGF expenditures.

REVENUE EXPLANATION

Proposed law would result in the reallocation of approximately \$2.5 M Statutory Dedication revenues equal to truck and trailer registration and license fees and taxes collected in Lafayette Parish, depositing these monies into the Lafayette Maintenance and Improvement Fund instead of the State Highway Improvement Fund. Vehicles registration and license fees and taxes are collected by OMV and deposited into the treasury on a monthly basis. Present law provides that these revenues are first applied to any payments due on bonds and allocated to certain statutory dedications with the balance deposited into the State Highway Improvement Fund.

Proposed law would add the Lafayette Maintenance and Improvement Fund to the list of statutory dedications that receive an allocation of certain revenues before deposit into the State Highway Improvement Fund. Truck and Trailer registration and licenses fees and taxes collected in Lafayette Parish would accrue to the Lafayette Maintenance and Improvement Fund rather than the State Highway Improvement Fund.

OMV indicates that the International Registration Plan (IRP) solution, which registers trucks and trailers registered as interstate haulers, does not currently track revenues by parish. Although the revenue collected from interstate registrations is indeterminable, OMV estimates these collections to be nominal. To the extent that a registration or license fee or tax for an interstate hauler is collected in Lafayette Parish, such revenue would credit to the Lafayette Maintenance and Improvement Fund rather than the State Highway Improvement Fund.

For informational purposes, \$35.3 M was deposited into the State Highway Improvement Fund in FY 17 after a bond payment of \$23 M.

Senate
 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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