

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 668** HLS 18RS 24
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 27, 2018 2:15 PM	Author: JORDAN
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles	Analyst: Ryan Guidry
Subject: Hearings prior to installment agreements	

MTR VEHICLE/DRIVER LIC OR INCREASE GF EX See Note Page 1 of 1

Prohibits the suspension of a drivers license solely on the basis of delinquent debt without a hearing to determine a person's ability to pay

Present law authorizes a person to enter into an installment agreement with the Department of Public Safety, Office of Motor Vehicles for the payment of outstanding penalties, fines, or fees owed to the office of motor vehicle.

Proposed law provides that a hearing shall be granted to a person to determine that person's means and ability to pay prior to entering into any installment agreement for the payment of outstanding penalties, fines, or fees owed to the Office of Motor Vehicles.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$0	\$0	\$0	\$0	\$0	\$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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will increase SGR expenditures by an indeterminable but significant amount for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) and the Division of Administrative Law (DAL). While OMV expends monies out of SGR, collections in excess of appropriation are deposited into the SGF and thus this note reports a SGF expenditure impact.

Proposed law provides that individuals must be granted a hearing to determine that individual's ability to pay before entering into any installment agreement with OMV for the payment of outstanding penalties, fines, and fees. Under the Administrative Procedures Act, administrative hearings for OMV are conducted by the Division of Administrative Law (DAL). The fees charged by DAL to agencies for conducting administrative hearings is calculated as part of the Statewide Cost Allocation Plan (SWCAP) and may vary year to year based on many factors, including the type and number of cases adjudicated for a particular agency. Based on prior year billing history, OMV pays approximately \$450 per case. Any increased expenditures incurred by DAL as a result of the increased caseload would ultimately be billed to OMV through the SWCAP calculation. To the extent that the DAL is unable to absorb the increased caseload utilizing existing resources, additional personnel and budget authority may be required.

The option for an individual to enter into an installment agreement with OMV for outstanding penalties, fines, and fees was enacted by Act 397 of the 2016 of the Regular Legislative Session. Because the installment agreement program is new, the average annual number of new installment agreements that would be entitled to an administrative hearing is unknown. However, for informational purposes, OMV reports that in FY 17, the first full fiscal year of available data, the agency entered into 86,776 installment agreements. Had proposed law been in effect, OMV would have incurred approximately \$39 M (86,776 cases * \$450 per case) of additional expenditures during this fiscal year.

REVENUE EXPLANATION

Proposed law will have an indeterminable impact on SGR and the statutorily dedicated Real Time Insurance Verification Fund. Proposed law grants a hearing to an individual before entering into an installment agreement to determine the individual's ability to pay, but does not address what happens to the outstanding penalties, fines and fees if a hearing concludes that an individual does not have the ability to pay. The various penalties, fines, and fees assessed by OMV are collected as SGR with a portion of certain fees accruing to the Real Time Insurance Verification Fund.

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
Evan Brasseaux
Staff Director