

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 496** HLS 18RS 884
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 1, 2018 7:03 AM	Author: HAZEL
Dept./Agy.: Office of Motor Vehicles/Dept. of Veterans Affairs	Analyst: Ryan Guidry
Subject: Driver's License Fee Increase, Provisions for Deposit	

MTR VEHICLE/DRIVER LIC RE1 INCREASE SD RV See Note Page 1 of 2
 Provides for a voluntary fee on driver's license applications to benefit the Military Family Assistance Fund

Proposed law allows an applicant to choose to donate \$1 in addition to the license fee for all classes of drivers licenses to the Louisiana Military Family Assistance 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>	<u>\$0</u>
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

The Department of Public Safety (DPS) estimates the proposed legislation will require 196 hours of overtime at a cost of \$12,925 (assumed to be SGF) to update the Unisys mainframe for the \$1 donation increase, as well as modifications to the finance system, ISIS system, and Mapper/Bisprod system. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and 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.

For those applicants that elect to make a \$1 donation, revenue will accrue to the LA Military Family Assistance Fund. While the proposed legislation allows for the fee revenue to be deposited into the fund, it does not alter the fund's purpose, functions, or associated expenditures. For reference, the LA Military Family Assistance Fund mainly receives revenues through donations, gifts, and grants. Resources in the fund are primarily used to pay need-based claims for family members of activated or honorably discharged military personnel as authorized by the LA Military Family Assistance Board. These funds are disbursed pursuant to LA R.S. 46:122, but the disbursements on a year-to-year basis are dependent on circumstances that are unpredictable and based upon identified need. For reference, the fund has received average deposits of \$91,788 during the three preceding fiscal years (FYs 15 - 17) and began FY 18 with a balance of \$429,833. The fund has disbursed \$115,528 to date and has a current balance of \$394,616.

REVENUE EXPLANATION

Proposed law will increase revenues for the statutorily dedicated LA Military Family Assistance Fund by an indeterminable amount annually. The proposed law allows an applicant on all classes of driver's licenses to donate \$1 in addition to the license fee to the LA Military Family Assistance Fund. To the extent that an applicant elects to make the donation, revenues to the LA Military Family Assistance Fund will increase accordingly.

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

<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 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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Staff Director

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CONTINUED EXPLANATION from page one:

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REVENUE EXPLANATION CONTINUED FROM PAGE 1

OMV states that the transition from a four-year credential to a 6-year credential pursuant to ACT 807 of 2014 creates an uneven distribution of license renewals, with years 5 and 6 of the credential cycle realizing fewer renewals. Years 5 and 6 of the renewal cycle will occur in FYs 20-21. For reference, DPS estimates the number of class D and E drivers license renewals by fiscal year: FY 19 - 787,497; FY 20 - 44,439; FY 21 - 38,456; FY 22 - 676,315; FY 23 - 676,315.

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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