



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 142** HLS 18RS 314
 Bill Text Version: **RE-REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 13, 2018 5:14 PM	Author: LYONS
Dept./Agy.: Environmental Quality	Analyst: Colleen Gil
Subject: Waste Tires	

ENVIRONMENT/WASTE TIRES RR +\$1,144,363 SD RV See Note Page 1 of 1
 Increases the waste tire disposal fee applicable to passenger and light truck tires

Proposed law increases the fees in present law on passenger/light truck tires from \$2 to \$2.25 beginning on October 1, 2018 through July 31, 2022. Proposed law provides that beginning August 1, 2022, the fee per passenger/light truck tires shall be \$2.

EXPENDITURES	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	\$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	\$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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$1,144,363	\$1,144,363	\$1,144,363	INCREASE	\$3,433,089
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		\$1,144,363	\$1,144,363	\$1,144,363		\$3,433,089

EXPENDITURE EXPLANATION

The Department of Environmental Quality (DEQ) anticipates additional payments of \$1,029,927 to processors for the proper disposal of collected waste tires to the authorized end use. Per LA R.S. 30:2418(I) DEQ pays processors 7.5 cents per pound.

REVENUE EXPLANATION

There will be an increase in revenue to the statutorily dedicated Waste Tire Management Fund as a result of the fee increase for passenger/light truck tires. The proposed legislation raises the waste tire fee by \$0.25 for passenger/light truck tires beginning on October 1, 2018 through July 31, 2022.

The Department of Environmental Quality (DEQ) has collected an average of \$9.15 M per year in passenger tire fees over the past five years based on the average sale of 4.6 M passenger tires annually. To the extent the average number of passenger tires purchased in future years remains consistent, DEQ expects to collect additional revenues beginning in FY 19, an additional \$1.1 M annually through FY 22, and have a minimal increase in revenues in FY 23 as a result of the sunset.

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

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Staff Director