

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 16** SLS 18RS 67
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 18, 2018 9:46 AM	Author: MIZELL
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles	Analyst: Ryan Guidry
Subject: International Symbol of Accessibility for Prestige Plates	

MOTOR VEHICLES EN SEE FISC NOTE SG EX See Note Page 1 of 1
 Provides for special prestige license plates to bear the international symbol of accessibility. (1/1/19)

Proposed law requires, on and after January 1, 2019, that any available special prestige license plate may additionally bear the international symbol of accessibility, upon request and if the applicant is eligible in accordance with the provisions of R.S. 47:463.4.

Proposed law creates the "Upside Downs" special prestige license plate issued in the same manner as any other plate if there are a minimum of 1,000 applicants and requires the collection of an annual royalty fee of \$25 in addition to the standard motor vehicle license tax and the \$3.50 handling fee. Proposed law provides that the annual royalty fee will be forwarded to Upside Downs, Inc.

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

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

EXPENDITURE EXPLANATION

Proposed law would require that each special prestige plate be able to bear the international symbol of accessibility upon request. The Department of Public Safety (DPS), Office of Motor Vehicles (OMV) reports that proposed law would necessitate the development of a coding mechanism capable of tracking two subsets of each prestige plate, one with the international symbol of accessibility and one without, which cannot be accomplished utilizing the current mainframe system.

However, OMV, in conjunction with the Office of Technology Services (OTS), began the OMV Re-engineering Project in FY 18 to build a new system to replace the current OMV legacy system. The project is scheduled to be completed over several years for a total cost of \$8 M - \$10 M SGR. The projected FY 19 cost of \$1.6 M is not included in the executive budget, and DPS reports that this will delay the completion of the OMV Re-engineering Project. OMV reports that it cannot fulfill the requirements of proposed law until the OMV Re-engineering Project is completed.

DPS indicates the proposed law would change the scope of the OMV Re-engineering Project. The legislation will require programming and database modifications performed by IT Applications Analysts and a Business Analytics Specialist to support the new requirements. After consulting with OTS, the LFO believes that the coding mechanisms required by proposed law can be incorporated into the planned OMV Re-engineering Project without materially increasing the current estimated total cost.

Proposed law creates the "Upside Downs" prestige plate. OMV indicates the new prestige plate will increase SGR expenditures by \$8,115 for one-time modifications to the existing OMV system. The Legislative Fiscal Office believes that the department can potentially accomplish these tasks utilizing existing resources and budget authority as similar changes are enacted annually by legislative instrument and paid from base funding. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources. Additionally, to the extent that OMV receives applications for a minimum of 1,000 "Upside Downs" prestige plates, proposed law will increase SGR expenditures by at least \$3,500 (1,000 plates * \$3.50 cost per plate) for the printing of the prestige plates. These expenditures are offset by a \$3.50 per plate handling fee collected by OMV.

REVENUE EXPLANATION

To the extent that OMV receives a minimum of 1,000 applications for the "Upside Downs" prestige plate, SGR will increase by at least \$3,500. OMV collects a \$3.50 handling fee on each license plate issued. These revenues offset the cost of printing the plate. Proposed law requires a \$25 annual royalty fee be collected for each "Upside Downs" prestige plate. These fees are collected by OMV and forwarded to Upside Downs, Inc.

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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