



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 512** HLS 22RS 885
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 27, 2022	12:42 PM	Author: ZERINGUE
Dept./Agy.: Public Safety, Office of Motor Vehicles		Analyst: Patrice Thomas
Subject: Eliminates State Inspection Sticker for Commercial Vehicles		

MTR VEHICLE/INSPECTION REF -\$514,169 SG RV See Note Page 1 of 1
 Provides relative to a commercial motor vehicle inspection

Present law requires an annual charge of \$30 for the inspection of all commercial motor vehicles. Under present law, the \$30 inspection fee is divided as follows: (1) the motor vehicle inspection station operator who performs the inspection retains \$23.75; (2) the Office of Motor Vehicles (OMV) receives \$2.25; (3) the Office of State Police receives \$4. Proposed law repeals the present law requiring annual inspection of commercial motor vehicles and exempts commercial vehicles from the required one or two year certificates of inspection.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$514,169)	(\$514,169)	(\$514,169)	(\$514,169)	(\$514,169)	(\$2,570,845)
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	(\$514,169)	(\$514,169)	(\$514,169)	(\$514,169)	(\$514,169)	(\$2,570,845)

EXPENDITURE EXPLANATION

Proposed law will result in a one-time IT programming change of \$1,420 (assumed to be SGF) in the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) to eliminate the \$30 inspection sticker fee for commercial vehicles. The Office of Technology Services (OTS) would perform the programming changes at an estimated 20 hours of overtime by an IT Applications Analyst 2 (20 hours x \$70 per hour = \$1,400 x 1.45% Medicare tax = \$20; Total of \$1,420). The LFO believes that the department can potentially accomplish these tasks utilizing existing resources and budget authority as similar changes are enacted annually by legislative instruments 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.

The cost for each inspection sticker with month and year inserts is \$0.079, which OMV sells for \$30 to local Motor Vehicle Inspection (MVI) stations. For each \$30 inspection sticker fee collected on commercial vehicles, OMV receives \$2.25, State Police receives \$4, and the remaining \$23.75 is retained by the local MVI station.

While the proposed law does not otherwise directly impact state or local governmental expenditures, it does eliminate a combined \$514,169 SGR - \$185,101 within the OMV used to support the general operating costs of OMV and \$329,068 within LA State Police used in traffic law enforcement. To the extent that the legislature continues to fund activities in OMV and State Police supported by these revenues at the same or a diminished level in subsequent fiscal years, the funding sources supporting the base expenditures must be replaced by SGF or another revenue source to supplant the loss of SGR. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

DPS - Projected Reduction Annual SGR Revenues

	Insp. Stickers*	Fee Retained	DPS
\$30 Inspection Sticker Fee	82,267	\$6.25	\$514,169

*Based on 3-year average (FY 19, FY 20, and FY 21 actuals)

\$185,101 - Office of Motor Vehicles
 \$329,068 - State Police
 \$514,169 - Total

REVENUE EXPLANATION

Proposed law reduces annual SGR revenues in the DPS by \$514,169 - \$185,101 within OMV and \$329,069 within State Police. Proposed law removes the inspection sticker requirement for commercial vehicles. The annual inspection sticker fee is \$30. Based on average commercial inspection sticker sales from FY 19 - FY 21, DPS anticipates a revenue loss of \$514,169. Note: Proposed law is anticipated to significantly reduce the revenues MVI stations receive from inspection stickers by \$1,953,841.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>	<p align="right"><i>Evan Brasseaux</i></p> <hr/> <p align="right">Evan Brasseaux Interim Deputy Fiscal Officer</p>
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