

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 369** HLS 23RS 470

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 17, 2023	2:21 PM	<b>Author:</b> LAFLEUR
<b>Dept./Agy.:</b> Insurance		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> 25% auto insurance premium discount for LA Air/Army NG		

INSURANCE/AUTOMOBILE EG -\$6,500,000 GF RV See Note  
Provides for a premium discount for certain military personnel

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Current law mandates a 25% motor vehicle insurance policy discount for policies on vehicles owned or insured by active duty military in Louisiana, including their immediate family members with certain restrictions. By rule (LAC 37:XIII.9509), Active Military Personnel are defined as a single or married person living in the state and serving full-time active duty status as a member of the Army, Navy, Marines, Air Force, Reserve or National Guard, or Coast Guard.

Proposed law expands the military discount to all members of Louisiana Army National Guard and Louisiana Air National Guard, regardless of status.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$6,500,000)	(\$6,500,000)	(\$6,500,000)	(\$6,500,000)	(\$6,500,000)	<b>(\$32,500,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>	<b>(\$6,500,000)</b>	<b>(\$32,500,000)</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

To the extent that eligible National Guard personnel made eligible by the bill take advantage of the discount, state general fund would be reduced by a maximum of \$6.5 M in the form of a refundable premium tax credit equal to the discount. The bill makes all members of National Guard eligible for the credit, adding them to the existing eligibility pool. Current law (clarified by rule) includes full-time active duty personnel from Army, Navy, Air Force, Marines, Reserve/National Guard and Coast Guard among those eligible for the discount. Testimony indicates that certain National Guard members have been refused the discount, but it is not clear if these were on active duty status or reserve status.

For informational purposes, premium tax credits claimed for the military auto discount totaled \$1.9 M in FY 22, with the average discount about \$645 per policy. According to the Office of Military Affairs, there are about 11,167 members of the LA National Guard with about 1,106 on active duty. Presumably, those on active duty are already eligible for the discount. Per the Department of Insurance interpretation, the bill would make 10,061 reserve status National Guard members eligible for the discount. **If each of the newly eligible reserve status National Guard members take advantage of the discount, state general fund would be reduced by \$6.5 M (10,061 members \* \$645 average discount). This amount would be considered a maximum exposure** since it is not clear if all would require automobile insurance or when they would request the credit.

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}

*Alan M. Boxberger*  
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**Interim Legislative Fiscal Officer**