



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 286** HLS 24RS 161
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|--------------------------------|
| Date: March 21, 2024 5:03 PM | Author: BRAUD |
| Dept./Agy.: Department of Transportation and Development | |
| Subject: Exempts certain residents from payment of certain tolls | Analyst: Kimberly Fruge |

HIGHWAYS/INTERSTATE EG INCREASE SD EX See Note Page 1 of 1
 Provides an exemption from tolls located in a parish with a public-private partnership project

Proposed law exempts a resident of a parish with a population of less than 25,000, in which a public-private partnership for a bridge replacement is located, from the payment of tolls when the resident has purchased an exempt toll tag, presents a certificate of motor vehicle registration, and provides proof of residency. Proposed law requires the Department of Transportation and Development to adopt rules and regulations in accordance with the Administrative Procedure Act to efficiently implement and enforce the provisions of proposed law.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
|---------------------|------------|------------|------------|------------|------------|---------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |
| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law will result in a significant increase in expenditures for the Department of Transportation and Development (DOTD) to cover the cost of the tolls for exempt residents. Proposed law exempts residents of a parish with a population of less than 25,000, in which a public-private partnership (P3) for a bridge replacement is entirely located, from the payment of tolls. DOTD reports that the only project that currently falls within this criteria is the Belle Chasse P3.

DOTD reports that, based on the agreement with the private providers, the department would be responsible for covering the cost of the tolls for exempt residents. Based on initial projections, this equates to approximately \$2.4 M in the first year and a maximum of approximately \$4.5 M in the last year of tolling (2054). This estimate only includes the auto-local option, currently set at \$0.25 a crossing. If all local vehicles are eligible, including medium and heavy trucks, this amount would increase by an indeterminable amount. These expenditures are assumed to be Statutory Dedications out of the Transportation Trust Fund - Regular. To the extent the department is unable to cover these costs, in whole or in part, SGF may be required.

To the extent other P3 projects fall into this criteria in the out years, expenditures may increase further; however, if DOTD is able to negotiate to include these exemptions or reduced costs in the contract, these costs will not be realized or may be realized at a reduced rate for those projects. The likelihood of another P3 project that meets these criteria is finalized and toll revenues collected in the five year window is indeterminable, but low.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law requires an exemption toll tag to be provided to residents in parishes with a population of less than 25,000 with a P3 project. DOTD reports that these tags will likely be supplied by the private provider maintaining the bridge and will not increase revenues for the department.

Senate
 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}

Patrice Thomas
 Deputy Fiscal Officer