



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 344** HLS 24RS 199  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.: **w/ PROP HSE COMM AMD**  
 Sub. Bill For.:

<b>Date:</b> April 5, 2024 5:48 PM	<b>Author:</b> BAGLEY
<b>Dept./Agy.:</b> Public Safety, Office of Motor Vehicles	<b>Analyst:</b> John McKay
<b>Subject:</b> Eliminates State Inspection Stickers for Certain Vehicles	

MOTOR VEHICLES EG -\$11,059,772 SG RV See Note Page 1 of 2  
 Removes the requirement for motor vehicle inspection stickers

Under the present legislation, every motor vehicle, trailer, semi-trailer, and pole trailer registered in the state must have an inspection sticker for an annual fee of \$10, which \$5.25 remitted to the Department of Public Safety & Corrections, Public Safety Services (\$4 to Office of State Police and \$1.25 to the Office of Motor Vehicles). This measure eliminates the requirement for a safety inspection sticker. Proposed law modifies present law by requiring only commercial vehicles and student transportation vehicles to have a safety inspection sticker. Proposed law retains present law requiring vehicles registered in parishes or municipalities governed by the US Clean Air Act/US EPA to obtain an emissions inspection as required by present law. Proposed House committee amendment increases the fee of emission inspections from \$8 to \$18, of which \$10 will be remitted to DPS (\$9 to the Office of State Police and \$1 to the Office of Motor Vehicles).

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.	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
<b>Annual Total</b>						
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.	(\$11,059,772)	(\$11,059,772)	(\$11,059,772)	(\$11,059,772)	(\$11,059,772)	(\$55,298,860)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>(\$11,059,772)</b>	<b>(\$11,059,772)</b>	<b>(\$11,059,772)</b>	<b>(\$11,059,772)</b>	<b>(\$11,059,772)</b>	<b>(\$55,298,860)</b>

**EXPENDITURE EXPLANATION**

Proposed legislation will decrease annual expenditures by approximately \$146,000 for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) associated with the cost to produce inspection stickers. DPS reports the average annual cost of stickers from FY 21 to FY 23 was \$188,773. Currently, OMV issues approximately 4.4 M stickers. Proposed law will reduce the number of stickers issued by approximately 3.6 M or 82%.

**Continued on Page 2**

**REVENUE EXPLANATION**

**Inspection Sticker Fee** - Proposed legislation reduces annual SGR revenues in the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) by approximately \$3.2 M and the Office of State Police (OSP) by approximately \$7.9 M, resulting in a total reduction of \$11.1 M. This measure removes the inspection sticker requirement for all vehicles except for commercial motor vehicles and student transportation vehicles, which will eliminate approximately 82% of the inspection stickers sold each year.

The annual inspection sticker fee is \$10. For each \$10 fee collected, State Police receives \$4, OMV receives \$1.25, and the remaining \$4.75 is retained by the local Motor Vehicle Inspection (MVI) station. OMV also collects an \$8 handling fee per book of inspection stickers sold. Using data from FY 21 to FY 23, OMV anticipates collecting approximately \$95,000 in handling fees annually. Based on an average from the past three years under present law, excluding commercial vehicles and student transportation vehicles, OMV anticipates a total loss of state revenue of approximately \$14.5 M (\$14.4 M inspection stickers + \$94,410 handling fees).

Note: Proposed law is anticipated to significantly reduce the revenues MVI stations receive from inspection stickers by \$7,841,196.

**Emission Control Sticker Fee** - Proposed House committee amendment increases the fee of annual emissions control stickers for vehicles in parishes governed by the US Clear Air Act from \$8 to \$18. Emission control stickers are required in East Baton Rouge, West Baton Rouge, Ascension, Livingston, and Iberville parishes. Current law provides that motor vehicle inspection stations retain \$6 of the emission test fee and the Department of Environmental Quality (DEQ) receives the remaining \$2. Proposed House committee amendment allows for State Police to receive \$9 and OMV to receive \$1 for each \$18 fee collected.

The table below illustrates projected annual revenue reductions of this measure by agency.

	Projected Reduction Annual SGR Revenues			
	Insp. Stickers	OMV	State Police	Total
Emission Control Stickers	340,950	\$340,950	\$3,068,550	\$3,409,500
1 year Inspection Stickers	563,486	(\$704,357)	(\$2,253,943)	(\$2,958,300)
2 year Inspection Stickers	1,087,229	(\$2,718,229)	(\$8,698,333)	(\$11,416,562)
# Sticker Books (\$8/sale)	11,801	(\$94,410)	\$0	(\$94,410)
<b>Total</b>		<b>(\$3,176,046)</b>	<b>(\$7,883,726)</b>	<b>(\$11,059,772)</b>

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}

**Patrice Thomas**  
**Deputy Fiscal Officer**



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 344** HLS 24RS 199  
Bill Text Version: **ENGROSSED**  
Opp. Chamb. Action:  
Proposed Amd.: **w/ PROP HSE COMM AMD**  
Sub. Bill For.:

**Date:** April 5, 2024 5:48 PM **Author:** BAGLEY  
**Dept./Agy.:** Public Safety, Office of Motor Vehicles **Analyst:** John McKay  
**Subject:** Eliminates State Inspection Stickers for Certain Vehicles

**CONTINUED EXPLANATION from page one:**

**Continued EXPENDITURE EXPLANATION from Page 1**

While the proposed legislation does not directly impact other expenditures, \$3.2 M of the revenues collected by OMV is utilized as general operating expenses. Additionally, approximately \$7.9 M of SGR revenues is transferred to the Office of State Police to be utilized for general operations. A reduction of approximately \$11.1 M in SGR revenues may require an offsetting appropriation of SGF to maintain current activity levels or may require a significant SGR expenditure reduction within OMV or State Police.

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}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**