



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 461** SLS 24RS 1370
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 9, 2024	6:44 PM	Author: WHEAT
Dept./Agy.: Office of Motor Vehicle		Analyst: Sarah Futch
Subject: Merger of Motor Vehicle Commissions		

MOTOR VEHICLES OR SEE FISC NOTE SG EX Page 1 of 1
 Merges the Louisiana Used Motor Vehicle Commission into the Louisiana Motor Vehicle Commission. (gov sig)

Purpose of Bill: This bill merges the Louisiana Used Motor Vehicle Commission (LUMVC) into the Louisiana Motor Vehicle Commission (LMVC), and provides for the transfer of responsibilities, property, obligations, revenue, and staff from the LUMVC to the LMVC. In addition, this bill increases the LMVC's membership from 18 to 22. The LUMVC and LMVC are required to take all necessary steps to implement the bill's provisions by January 1, 2025.

Note: The LUMVC's FY 2023 audit, the most recent available, shows that the LUMVC had approximately \$1.5 million in annual revenue and \$1.5 million in annual expenditures.

EXPENDITURES	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.	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	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.	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						

EXPENDITURE EXPLANATION

This bill may decrease the Louisiana Used Motor Vehicle Commission's (LUMVC) annual operating expenditures by approximately \$1.5 million and increase the Louisiana Motor Vehicle Commission's (LMVC) annual operating expenditures by approximately \$1.4 million, with a net annual expenditure decrease of approximately \$110,000. In addition, this bill may increase the expenditures of both Commissions in Fiscal Year 2025 due to activities related to the merger. The LMVC's expenditures are expected to increase by \$123,000, while the LUMVC's expenditures may increase by an indeterminable amount.

Annual Operating Expenditures:

Based on LUMVC and LMVC information, this bill is expected to decrease LUMVC expenditures by \$1.5 million annually, as the bill eliminates the LUMVC as an entity. The bill provides that the duties, responsibilities, and staff of the LUMVC will be transferred to the LMVC. An LMVC official indicated that the bill may increase LMVC expenditures by \$1.4 million annually as the LMVC starts performing the functions of the LUMVC. The overall impact on annual expenditures is a \$110,000 decrease, which is attributable to the elimination of office expenditures (building maintenance, insurance, utilities, etc.) related to the LUMVC building, which may be sold after the merger.

Merger Expenditures:

A LMVC official indicated that this bill may increase LMVC expenditures by \$123,000 in Fiscal Year 2025 due to merger related costs (\$95,000 for technology-related costs + \$25,000 for relocation-related costs + \$3,000 for administrative rule changes).

A LUMVC official indicated that this bill may increase LUMVC expenditures in Fiscal Year 2025 if the work required for the merger exceeds its current capacity and resources. The exact amount of this increase, if any, is currently indeterminable.

REVENUE EXPLANATION

This bill basically transfers annual revenue from the LUMVC to the LMVC. Annual revenue for the LMVC will increase by approximately \$1.5 million and revenue will decrease in a similar amount for the LUMVC. It appears that certain LMVC fees may be higher than LUMVC fees. If this is the case, overall revenues for the LMVC may increase by a greater amount. In addition, LMVC also anticipates a one-time \$500,000 revenue increase from the sale of LUMVC's office in Baton Rouge, which they expect to sell after the merger.

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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