

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 563** HLS 14RS 1015

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 18, 2014 5:26 PM	Author: LORUSSO
Dept./Agy.: Public Safety	Analyst: Matthew LaBruyere
Subject: License Plates	

MTR VEHICLE/LICEN PLATES EG INCREASE SG EX See Note
Creates the "Mount Carmel Academy" special prestige license plate

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Proposed law requires the Secretary of the Department of Public Safety and Corrections to establish a special prestige motor vehicle license plate for Mount Carmel Academy, provided there is a minimum of 1,000 applicants for the plate. This license plate will be restricted to passenger cars, pickup trucks, recreational vehicles and vans. Proposed law indicates that the department shall select the color and design of the plate. Proposed law establishes a royalty fee for the Mount Carmel Academy license plate, authorizes a handling fee to be retained by the department, and identifies the recipient of the royalty fees.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

The proposed law will result in an indeterminable increase in state expenditures for supplies associated with the manufacture of license plates. The Department of Public Safety indicates the proposed law may require approximately 120 hours of overtime for the Information Services Section at an average cost of \$32 per hour ($\$32 \times 120 = \$3,840$) plus associated Medicare expenses ($\$3,840 \times 1.45\% = \56), or a total of \$3,896 in personal services. The legislation will require programming and database modifications performed by IT Applications Analysts to support the new license plate. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the Department may require additional resources.

The proposed legislation will require \$3,700 in supply purchases to manufacture 1,000 "Mount Carmel Academy" plates at a cost of \$3.70 per plate ($\$3.70 \times 1,000 = \$3,700$).

The total expenditures in the first year are approximately \$7,596, assuming 1,000 plates are manufactured and sold. Each additional license plate would result in an expenditure increase of \$3.70. Because the cost of manufacturing a plate exceeds the administrative fee allowed to the department, each plate manufactured would result in a \$0.20 impact that would be absorbed within the department's existing budget authority, or may require SGF support if the existing budget is insufficient.

REVENUE EXPLANATION

The proposed law may generate approximately \$3,500 in self-generated revenue for the Office of Motor Vehicles for every 1,000 "Mount Carmel Academy" plates that are issued. The bill authorizes the department to charge a \$3.50 handling fee per license plate sold to offset a portion of administrative costs ($\$3.50 \times 1,000 \text{ plates} = \$3,500$).

The proposed law would also generate \$30,000 in royalty fees at \$15 annually per plate for every 1,000 plates issued (collected every two years upon renewal). Royalties collected by the department are deposited into an escrow account and then would be forwarded to the Mount Carmel Academy. The monies received from the royalty fees are to be used to provide young women the opportunity to develop their God-given talents through academic excellence and cocurricular activities.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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