

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 499** HLS 15RS 701

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|-----------------------------------|
| Date: April 24, 2015 | 3:12 PM | Author: HILL |
| Dept./Agy.: Motor Vehicles | | Analyst: Matthew LaBruyere |
| Subject: Driver's Licenses for Released Offenders | | |

TRANSPORTATION

EG INCREASE SG RV See Note

Page 1 of 2

Provides relative to state identification for certain offenders upon release from a correctional facility

Proposed law requires the Dept. of Public Safety and Corrections, public safety services, to issue a provisional Class "E" driver's license to a person who is released from incarceration after serving a minimum of one year and whose Class "E" driver's license will be or is suspended, revoked, or cancelled for any reason upon his release. Proposed law provides that the license issued pursuant to proposed law shall be valid for one year from the date of issuance. Proposed law prohibits any person whose Class "E" driver's license has been suspended, revoked, or cancelled for certain prior offenses. Proposed law specifies that all other fees, penalties, and charges that are incurred prior to or during the term of incarceration and owed by the applicant to the department shall be deferred at the time of the issuance of a provisional Class "E" driver's license. Proposed law provides that the holder of a provisional license shall have one year from the date of issuance of the provisional license to clear his driving record of any suspensions, revocations, or cancellations so that he may be eligible for a regular Class "E" driver's license.

| EXPENDITURES | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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> | \$0 |
| Annual Total | | | | | | |

| REVENUES | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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> | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in self-generated revenue as a result of issuing driver's licenses to released offenders. The Office of Motor Vehicles (OMV) will issue new provisional licenses to those offenders that are released from incarceration. The exact increase is indeterminable since it is unknown how many offenders will purchase the provisional license. For each provisional license issued, the cost to OMV will be \$1.78 per license.

The Department of Public Safety indicates the proposed law may require approximately 160 hours of overtime for the Office of Technology Services at an average cost of \$32 per hour (\$32 x 160 = \$5,120) plus associated Medicare expenses (\$5,120 x 1.45% = \$74), or a total of \$5,194 in personal services. The legislation will require modifications to the driver's licensing database to allow for the issuance of a provisional Class "E" license. The LFO 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.

REVENUE EXPLANATION

The proposed legislation will result in an increase in self-generated revenue collections as a result of issuing driver's licenses to persons who were released from incarceration after serving at least one year. The fiscal impact is indeterminable since the number of released offenders that purchase a provisional and subsequent license is unknown. However, for each offender that does purchase a provisional license, the Office of Motor Vehicles will receive \$32.25 (\$20.25 license + \$12 handling fee).

Since released offenders have the ability to defer the payment of fees, penalties, and charges incurred prior and during the incarceration period, OMV may recognize an additional increase in self-generated revenue. According to OMV, the average reinstatement cost is approximately \$500.

Based on information DPS received from the Department of Corrections, there are approximately 17,000 offenders released annually. DPS estimates that approximately 25% of the 2.9 M licensed drivers in the state have license suspensions and revocations. To the extent this percentage applies to offenders released from incarceration, approximately 4,250 released offenders (17,000 released offenders x 25%) may need to purchase a provisional license. The Class "E" license will cost \$20.25 plus a \$12 handling fee for a total of \$32.25. To the extent the assumed 4,250 released offenders that have a suspended license are issued a Class "E" provisional license, the department will collect \$130,063 **(CONTINUED ON PG 2)**

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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 Rev. Red. to State {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} |

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:
(CONTINUED REVENUE EXPENDITURE FROM PAGE 1)

(4,250 released offenders x \$32.25 driver's license cost).

It is unknown how many released offenders pay reinstatement costs owed to the department to receive a driver's license. To the extent more released offenders pay the reinstatement costs owed as a result of deferring payment for 1 year, the department will generate additional revenue.

NOTE: The figures mentioned above are based solely on the reinstatement fee and do not take into account any additional penalties that may be waived as a result of the proposed law. In addition, the exact number of released offenders that would receive a provisional license and qualify for a full Class "E" license is indeterminable.

| | | | | |
|---|----------------------------|--|---|---|
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