

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 111** HLS 161ES 243

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 24, 2016 8:19 PM	Author: MARCELLE
Dept./Agy.: Revenue	Analyst: Zachary Rau
Subject: Elimination of the Debt Recovery Fund	

FUNDS/FUNDING

OR SEE FISC NOTE SD RV

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To eliminate the Debt Recovery Fund (Item #7)

Proposed law retains present law authorizing the Department of Public Safety & Corrections, Office of Motor Vehicles (OMV) to collect delinquent fees related to suspension of an operator's licenses and insurance lapses, as well as present law requiring OMV to refer all delinquent fees to the Office of Debt Recovery (ODR) if not collected within 60 days. Proposed law eliminates present law providing that revenues from the collection of delinquent debt by ODR be placed in the statutorily dedicated Debt Recovery Fund and eliminates the Debt Recovery Fund. Proposed law nullifies present law providing for an appropriation out of the Debt Recovery Fund to the Dept. of Transportation and Development resulting from OMV delinquent debt fees pursuant to Act 16 of 2015.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law has a FY 16 impact as it eliminates a \$17.0 M appropriation from the statutorily dedicated Debt Recovery Fund from the Capital Outlay act of the 2015 Regular Session (Act 26). These funds were appropriated to the Highway Program. Negating the appropriation will shrink the Highway Program projects authorized originally in Act 26 of 2015 by \$17.0 M. The bill does not specify any projects for reduction. The LFO assumes the Dept. of Transportation & Development will utilize last fiscal year's Highway Priority Program to determine the project-level impact from the loss of funds.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law simplifies the mechanism by which state agencies retrieve revenues generated from referring delinquent debt to the Office of Debt Recovery (ODR), allowing for the revenues directly to the agencies rather than to the Debt Recovery Fund within 30 days after the end of the month in which the revenues were collected. As a result, state agencies will not require an appropriation from the Debt Recovery Fund to access funds owed to them by debtors that have been collected by ODR. These funds will instead be classified as self-generated revenues to the agencies. To date in FY 16, ODR has collected \$4.69 M.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director