

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 2, 2016 9:21 AM	<b>Author:</b> MARCELLE
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Elimination of the Debt Recovery Fund	

FUNDS/FUNDING EG SEE FISC NOTE SD EX See Note  
To eliminate the Debt Recovery Fund (Item #7)

Proposed law retains present law authorizing the Department of Public Safety & Corrections (DPSC), 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 Department of Revenue's 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. Proposed law eliminates the Debt Recovery Fund. Proposed law repeals present law providing for allocations out of the Debt Recovery Fund to the DPSC's Office of State Police and Dept. of Transportation and Development resulting from OMV delinquent debt fees made pursuant to Act 121 of 2015.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law repeals LA R.S. 47:1676(E)(2) & (3), eliminating the Debt Recovery Fund. Proposed law also eliminates an \$11 M allocation to the Office of State Police (OSP) and a \$42 M allocation to the Dept. of Transportation & Development (DOTD) from the statutorily dedicated Debt Recovery Fund pursuant to Act 121 of 2015.

OSP has a FY 16 appropriation from the Debt Recovery Fund totaling \$11 M. DOTD's appropriation from the Debt Recovery Fund in FY 16 totals \$17 M and is contained in the Capital Outlay act of 2015 (Act 26). If proposed law as outlined in this bill is enacted, replacement means of financing would be required to fund expenditures relative to appropriations from the Debt Recovery Fund. Anticipated amendments to the Supplemental Appropriations act of the First Extraordinary Session of 2016 (HB 122) would replace appropriations from the Debt Recovery Fund via interagency transfers from the Office of Motor Vehicles (OMV) for DOTD. Similarly, OSP may require a means of financing swap in FY 16 to reclassify appropriations from the Debt Recovery Fund to self-generated revenue. The current posture of HB 122 does not contain appropriations to supplant the Debt Recovery Fund.

**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

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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**