

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 936** HLS 16RS 1832

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 329**

Date: April 7, 2016	9:31 AM	Author: MARCELLE
Dept./Agy.: Public Safety/Office of Motor Vehicles		Analyst: Zachary Rau
Subject: Public Tag Agent License Plate Fee Remittances		

MOTOR VEHICLES

EG SEE FISC NOTE SG RV See Note

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Provides relative to entities authorized to provide services relative to motor vehicles

Present law authorizes public license tag agents to issue registration certificates and license plates to owners of motor vehicles. Proposed law requires that public tags agents must buy license plates in increments no less than ten and remit the cost of production of the license plates prior to receiving the license plates. Proposed law requires public license tag agents to submit all required documents to the Dept. of Public Safety & Corrections, Office of Motor Vehicles, in the method or form required by the department. Proposed law allows the Dept. of Public Safety & Corrections to enter into two-year contracts with public tag agents performing services on behalf of the department.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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

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	\$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 Department of Public Safety indicates the proposed law may require approximately 200 hours of overtime for the Office of Technology Services (OTS) billable at an average cost of \$55 per hour (\$55/hour * 200 hours = \$11,000) plus associated Medicare expenses (\$11,000 * 1.45% = \$160), or a total of \$11,160 in personal services. The legislation will require programming and database modifications performed by IT Applications Analysts to allow for charging public license tag agents for license plates up front via the legacy license plate inventory system. 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.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation requires public license tag agents (PTAs) to purchase license plates in increments of ten, as well as remit the costs of production for the plates prior to receiving them. DPS reports that they currently collect the cost of a license plate at the point of sale pursuant to LA R.S. 47:303(B)(1) and 47:480. DPS further reports the proposed law would result in PTAs remitting the fee collected to defray the cost of the license plate after a sale, in addition to paying the initial cost of the license plate, essentially creating a double fee collection based upon present law and practice. To negate the double fee collection, the proposed legislation provides that the department will reimburse PTAs for every plate sold by a to-be-determined method. As a result, the proposed legislation will have no impact on revenue.

The proposed law also allows public agents to enter into contracts with DPS for a period of two years, rather than the current one-year contracts as outlined in present law. Currently there are 167 public tag agents listed on DPS' website who must pay a \$100 annual fee to perform services on behalf of the department. The lengthening of contract terms from 1 to 2 years may result in advanced remittances of the \$100 annual fee (\$200 upon renewal of each 2-year contract) to the extent DPS requires it as a condition of PTAs performing services on behalf of the department for a 2-year period.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <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
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