

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1059** HLS 16RS 1412

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 22, 2016 9:31 AM	Author: DAVIS
Dept./Agy.: Public Safety/LP Gas Commission	Analyst: Zachary Rau
Subject: LP Gas Commission Annual Permit Fees	

FUELS/LIQ PETROLEUM GAS OR INCREASE SD RV See Note Page 1 of 1
Provides relative to permits issued by the Liquefied Petroleum Gas Commission

Proposed law increases annual liquefied petroleum gas dealer permit fees by \$75, from \$75 to \$150. Proposed law provides that all rules and regulations for the Liquefied Petroleum Gas Commission be available to the public on the commission's website. Proposed law adds an assessment totaling five one-hundredths of 1% on liquefied petroleum gas dealers who hold a Class VI permit for deposit in the Market Development Account.

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	SEE BELOW	\$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		\$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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

Proposed law updates annual dealer permit fees for the Liquefied Petroleum (LP) Gas Commission. The Department of Public Safety & Corrections indicates the proposed law will require approximately 16 hours of overtime for the Office of Technology Services billable at a rate of \$65 per hour ($\$65 * 16 = \$1,040$) plus associated Medicare expenses ($\$1,040 * 1.45\% = \15), or a total of \$1,055. The legislation will require programming associated with updating permit fees from \$75 to \$150 in the LP Gas Commission's 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.

Language in proposed law stating that the rules and regulations adopted by the LP Gas Commission must be available to the public on the commission's website will have no fiscal impact, as the commission already has its rules and regulations available online.

REVENUE EXPLANATION

Proposed law will increase revenues for the statutorily dedicated Liquefied Petroleum Gas Commission Rainy Day Fund by up to approximately \$75,000. The proposed legislation increases annual dealer permit fees for the Liquefied Petroleum (LP) Gas Commission by \$75, from \$75 to \$150. For reference, the Dept. of Public Safety & Corrections reports that approximately 1,000 licenses are active in Louisiana. To the extent all 1,000 licenses renew, revenues will increase by approximately \$75,000 (1,000 permits * \$75), from \$75,000 to \$150,000 (1,000 permits * \$150/permit). However, because the number of permit renewals that will occur in a given year is unknown, the exact revenue increase is indeterminable.

Proposed law adds an assessment totaling five one-hundredths of 1% of gross annual sales for liquefied petroleum gas dealers who hold a Class VI permit, in addition to the assessment levied on Class I and Class VI permits. Proceeds from the assessment will be deposited in an off-budget account administrated by the LP Gas Commission and used solely for the purpose of market development for liquefied petroleum gas in LA (Market Development Account). Proceeds to the Market Development Account will increase as a result of proposed law. The increase in revenues for the account is indeterminable because the amount of gross sales each permit holder will have annually varies.

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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
Staff Director