



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1127** HLS 16RS 1769

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 16, 2016	12:07 PM	Author: HOWARD
Dept./Agy.: Public Safety/Office of Motor Vehicles		
Subject: Auto Title Company Contracts, License Plate Sales		Analyst: Zachary Rau

MOTOR VEHICLES

EG SEE FISC NOTE SG RV See Note

Provides relative to requirements of auto title companies

Page 1 of 1

Present law and present regulation provide for annual contracts for auto title companies (ATCs) operating in LA. Proposed law and proposed regulation provide for two-year contracts. Present law and present regulation require the remittance of a \$200 annual fee to the Dept. of Public Safety (DPS) for ATCs operating in LA and for a \$50 annual fee for each additional location an ATC operates. Proposed law and proposed regulation change the \$200 annual fee and the \$50 annual fee to a \$400 biennial fee and a \$100 biennial fee, respectively. Proposed law requires ATCs to execute a \$100,000 surety bond for one location and a \$125,000 surety bond for multiple locations. Proposed law provides for automatic renewal of contracts with auto title companies.

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	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law allows auto title companies (ATCs) to enter into contracts with the Dept. of Public Safety (DPS) for a period of two years, rather than the current one-year contracts in present law. Included in the lengthening of contract terms from 1 to 2 years is an advanced remittance of the current \$200 annual fee for one business location, which will now be collected biennially (\$400 upon renewal of each 2-year contract). Furthermore, proposed law alters the \$50 annual fee for businesses operating ATCs at more than one location in a similar manner, changing the \$50 annual fee to a \$100 biennial fee collectible every two years upon renewal of the contract. As a result, the proposed legislation will not increase revenues overall, but will advance timelines in which the department receives revenues. To manage the advanced remittances of revenues, the department anticipates escrowing approximately half of funds received in renewal years to fund expenditures in non-renewal years.

SenateDual Referral RulesHouse

- ☐ 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