

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 101** SLS 17RS 376

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 15, 2017 7:44 AM	Author: RISER
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles	Analyst: Zachary Rau
Subject: Issuance of Duplicate Military Honor Plates for use on Trailers	

MOTOR VEHICLES

EG SEE FISC NOTE GF EX

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Authorizes issuance of a military honor license plate with an identical number for a motorcycle or boat trailer. (8/1/17)

Present law authorizes the issuance of military honor license plates to veterans and other military personnel. Proposed law allows holders of military honor plates pursuant to present law to issue a military honor plate with an identical number for use on a motorcycle and boat trailer without payment of any additional license tax or fee in the event the license plate system is able to accommodate duplicate plates. Proposed law requires the department to adopt necessary rules and regulations to implement proposed law.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	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>	<u>\$0</u>
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure, because the Dept. of Public Safety, Office of Motor Vehicles (OMV) cannot presently produce the plates provided for in proposed law. OMV reports no fiscal impact associated with the provision in proposed law stating the agency must issue duplicate boat trailer and motorcycle license plates at no additional cost in the event the OMV license plate system is reengineered to produce them. OMV presently does not have a timeline or plans to update the Unisys Mainframe, its current license plate system. While the proposed law does not compel OMV to update its license plate system, the office estimates that a full mainframe update would range from \$30 - 50 M.

In the event OMV updates its license plate system to accommodate the duplicate plates and to the extent the office purchases 2,000 new plates (1,000 boat trailer plates + 1,000 motorcycle plates) at \$3.70 per plate, it would incur an SGR expenditure of \$7,400 for the first 1,000 plates of each vehicle type that must be absorbed within its existing budget authority without an offset from the \$3.50 handling fee it collects on prestige license plates (See Revenue Explanation).

Furthermore, OMV would likely incur some programming costs associated with inputting and tracking the license plate in the new system. These costs are presently indeterminable, but are likely to be marginal in nature and able to be absorbed utilizing existing resources and budget authority.

REVENUE EXPLANATION

Proposed law would decrease SGR collections for the Office of Motor Vehicles by an indeterminable amount if the OMV system is updated and able to implement the provisions of proposed law (See Expenditure Explanation).

The proposed law allows applicants for the duplicate license plate(s) to acquire the plate without payment of any additional license tax or fee. For reference, the current fees for boat trailer license plates total \$25 (renewed every four years) and the current fees for motorcycle plates total \$12 (renewed every four years). To the extent persons holding the military license plate obtain both the motorcycle and boat trailer license plates, the OMV would realize a revenue loss of \$37 every four years. Furthermore, the OMV also collects a \$3.50 handling fee per plate. The OMV would realize a reduction of \$3.50 per plate to the extent these plates are requested.

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

Evan Brasseaux
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