

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 496** HLS 17RS 677

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 31, 2017	6:27 PM	Author: NORTON
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles		Analyst: Zachary Rau
Subject: Exemption of Certain Retired Firefighters From License Tax		

MTR VEHICLE/LICEN PLATES

RE SEE FISC NOTE SD RV See Note

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Provides with respect to special license plates for firefighters with twenty years of service

Present law provides for the issuance of a special firefighters prestige plate for active and retired firefighters with an accompanying one-time fee of \$25. Proposed law allows retired firefighters with 20 or more years of service holding the special firefighters prestige plate to be exempt from annual motor vehicle registration license fees and/or taxes. Proposed law requires persons seeking exemption from annual motor vehicle registration license fees and/or taxes to submit certification from the Firefighters Retirement System attesting to 20 or more years of service.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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>	<u>\$0</u>
Annual Total		\$0	\$0	\$0	\$0	\$0

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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

The Dept. of Public Safety & Corrections (DPS) anticipates a \$6,239 increase in SGF expenditures associated with updating the Office of Motor Vehicles' (OMV) vehicle registration and financial accounting systems to implement the provisions of proposed law. The Office of Technology Services would perform this work with an estimate of approximately 95 man-hours needed to complete it. The Legislative Fiscal Office believes that any additional IT work associated with this legislation can potentially be accomplished utilizing existing resources. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources.

REVENUE EXPLANATION

Proposed law will decrease revenues for the following constitutionally and statutorily dedicated funds by an indeterminable aggregate amount: the Transportation Trust Fund (TTF), State Highway Fund No. 2, the State Highway Improvement Fund (SHIF), and the New Orleans Ferry Fund (NOFF). The proposed law exempts firefighters with 20 or more years of service that request a special retired firefighter prestige plate ("prestige plate") from payment of the annual motor vehicle license tax (VLT). All revenues collected from the VLT are deposited in one or more of the aforementioned funds. Placement in the aforementioned funds is dependent upon if the VLT is remitted in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa, and St. Tammany ("State Highway Fund No. 2 parishes"), or elsewhere in the state. All or some of the VLT revenues collected in the aforementioned "State Highway Fund No. 2 parishes" are placed into State Highway Fund No. 2 by law.

The Firefighters Retirement System estimates approximately 7,500 persons are eligible for the VLT exemption outlined in proposed law. To the extent persons eligible for the VLT exemption apply for the prestige plate, the aforementioned funds will realize an indeterminable revenue loss that is dependent of the type of vehicle subject to the tax and the residence of the person remitting the tax. For informational purposes, the Dept. of Public Safety, Office of Motor Vehicles reports 770 prestige plates currently in circulation. In the event proposed law is enacted, the number of plates requested may increase and the corresponding revenue loss may increase. **(Revenue Explanation cont. on Pg. 2)**

<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

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Staff Director

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CONTINUED EXPLANATION from page one:

(Revenue Explanation cont. from Pg. 1) For reference, VLT revenues for automobiles, motorcycles, and trucks/trailers/recreational vehicles registered outside of the State Highway Fund No. 2 parishes are remitted into the TTF and SHIF. VLT revenues for automobiles, motorcycles, and trucks/trailers/recreational vehicles registered in the State Highway Fund No. 2 parishes are deposited into one or more of the following funds: State Highway Fund No. 2 (all motorcycle VLT, \$6 of automobile VLT), the TTF (the remaining revenues associated with automobile VLT after \$6), and the New Orleans Ferry Fund (all truck/trailer/recreational vehicle VLT).

For informational purposes, to the extent all 7,500 persons eligible for the VLT exemption acquire the prestige plate and own automobiles valued at \$30,000 subject to a \$30 annual tax (\$10 base + additional \$1 for every \$1,000 in value beyond \$10,000), the potential exposure of the aforementioned funds totals \$225,000. However, because the number of eligible persons who may be subject to the exemption apply for the prestige plate, the type(s) of vehicle being registered, and the domicile of the vehicles are unknown, the exact revenue loss associated with proposed law cannot be predicted.

Note: Proposed law requires persons applying for the prestige plate to pay the initial one-time fee of \$25. Present law does not enumerate a dedication for this funding, therefore the Legislative Fiscal Office assumes that it is classified as SGR. Collections of this SGR are unaffected by proposed law.

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}

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