

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 65 HLS 17RS 460

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: June 6, 2017 2:09 PM, Author: HENSGENS. Row 2: Dept./Agy.: Public Safety Services/Office of Motor Vehicles, Analyst: Zachary Rau. Subject: Sabine Pass Lighthouse Prestige Plate.

MTR VEHICLE/LICEN PLATES EN INCREASE SD RV See Note Page 1 of 1
Creates the "Sabine Pass Lighthouse" specialty license plate

Proposed law creates the Sabine Pass Lighthouse prestige license plate. Proposed law provides for the Dept. of Public Safety & Corrections (DPS) to work in conjunction with the president of the Cameron Preservation Alliance - Sabine Pass Lighthouse, Inc., to design the license plate, which may be issued to any citizen in Louisiana upon application. Proposed law allows DPS to collect a \$20 royalty fee which may be forwarded to the Cameron Preservation Alliance - Sabine Pass Lighthouse, Inc., that much be used for the restoration and stabilization of the Sabine Pass Lighthouse. Proposed law allows DPS to collect a \$3.50 handling fee to offset a portion of administrative costs. Proposed law requires DPS to promulgate and adopt rules and regulations to implement the provisions of proposed law. Proposed law has an effective date of January 1, 2018.

Table with 7 columns: EXPENDITURES, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable, but likely marginal, increase in state expenditures for supplies associated with the manufacture of license plates. The proposed legislation will require \$3,700 in supply purchases to manufacture 1,000 "Sabine Pass Lighthouse" plates at a cost of \$3.70 per plate (\$3.70 x 1,000 = \$3,700).

The total expenditures in the first year are approximately \$3,700, assuming 1,000 plates are manufactured and sold. Each additional license plate would result in an expenditure increase of \$3.70. Because the cost of manufacturing a plate exceeds the administrative fee allowed to the department, each plate manufactured would result in a \$0.20 impact that would be absorbed within the department's existing budget authority, or may require SGF support if the existing budget is insufficient.

The Dept. of Public Safety & Corrections (DPS) anticipates a \$8,115 increase in SGF expenditures associated with updating the Office of Motor Vehicles' (OMV) vehicle registration and financial accounting systems to accommodate the new license plate. The Office of Technology Services would perform this work with an estimate of approximately 120 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 may generate approximately \$3,500 in self-generated revenue for the Office of Motor Vehicles for every 1,000 "Sabine Pass Lighthouse" plates that are issued. The bill authorizes the department to charge a \$3.50 handling fee per license plate sold to offset a portion of administrative costs (\$3.50 x 1,000 plates = \$3,500).

The proposed law would also generate \$40,000 in royalty fees at \$20 annually per plate for every 1,000 plates issued (\$20/plate * 1,000 plates * 2 years). Fees are collected every two years upon renewal. Royalties collected by the department are deposited into an escrow account and then would be forwarded to the Cameron Preservation Alliance - Sabine Pass Lighthouse, Inc. The revenues received from the royalty fees are to be used for the restoration and stabilization of the Sabine Pass Lighthouse.