

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 331** SLS 18RS 677
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 2, 2018 9:08 AM	Author: COLOMB
Dept./Agy.: Dept. of Public Safety/Officer of Motor Vehicles	Analyst: Ryan Guidry
Subject: Ten-year Renewal for Mobility Impairments Hang Tags	

MOTOR VEHICLES RE +\$275,216 SG RV See Note Page 1 of 1
 Provides for a ten-year renewable period for hang tags for persons with mobility impairments. (8/1/18)

Present law requires the issuance of a hang tag for a person with a permanent mobility impairment and upon a showing of good cause, renewable as any driver's license, for a period of four years and which remains valid until revoked or suspended.

Proposed law changes the renewal period from four to ten years.

Proposed law changes the issuance cost for a hang tag from \$3 to \$7.50.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
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>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$275,216	\$255,298	\$253,499	\$261,337	(\$174,225)	\$871,125
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>	\$0
Annual Total	\$275,216	\$255,298	\$253,499	\$261,337	(\$174,225)	\$871,125

EXPENDITURE EXPLANATION

The Department of Public Safety (DPS) estimates the proposed legislation will require 40 hours of overtime at a cost of \$2,901 (assumed to be SGF) to update the Office of Motor Vehicle (OMV) systems. 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, DPS may require additional resources.

REVENUE EXPLANATION

Under present law, OMV collects a fee of \$3 for the issuance of each hang tag for persons with mobility impairments and for the renewal of the hang tag every four years. Based on the scheduled renewals, OMV anticipates the following fee collections by fiscal year: FY 19 - \$183,477; FY 20 - \$170,199 ; FY 21 - \$168,999; FY 22 - \$174,225; FY 23 - \$174,225. The total projected collections for fees over this five year period is \$871,125. Hang tags scheduled for renewal in FY 19 would renew again in FY 23 and repeat the 4-year cycle.

Proposed law would change the renewal period from four years to ten year and take affect August 1, 2018, and the fee would increase from \$3 to \$7.50. Those hang tags scheduled to expire in FYs 19-22 under the 4-year cycle would renew in the same fiscal year as under present law. However, those hang tags scheduled for renewal in FY 19 would not renew again until FY 29 under the 10-year cycle, whereas under present law the renewal would have occurred in FY 23. Under proposed law, OMV anticipates the following revenue collections by fiscal year: FY 19 - \$458,693; FY 20 - \$425,497; FY 21 - \$422,497; FY 22 - \$435,562; FY 23 - (\$174,225). Total revenue collections over the five year period would total \$1,742,250.

Proposed law would increase the renewal interval by six years and create a decrease in revenue in FYs 23-28. The decreased revenues in FYs 23-28 would be offset by the additional revenues collected in FYs 19-22 as a result of the increased hang tag fee. Over a ten-year cycle, present law and proposed law generate equal amounts of revenue.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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