

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 465** HLS 18RS 38
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 27, 2018 2:24 PM **Author:** CONNICK
Dept./Agy.: DOTD **Analyst:** Alan M. Boxberger
Subject: Creates the Regional Maintenance and Improvement Fund

FUNDS/FUNDING OR SEE FISC NOTE SD EX Page 1 of 2

Changes the dedication of a portion of the truck and trailer fees collected in certain parishes and creates the Regional Maintenance and Improvement Fund

Present law dedicates 50% of all motor vehicle license taxes collected in Orleans, Jefferson, St. Charles, St. John the Baptist, Tangipahoa and St. Tammany parishes to the State Highway Fund No. 2 for the Greater New Orleans Expressway Commission and the remaining 50% to the Transportation Trust Fund - Regular. Present law dedicates a portion of the motor vehicle license tax on trucks and trailers collected in Orleans Parish to the New Orleans Ferry Fund and sunsets the fund on June 30, 2018.

Proposed law creates the Regional Maintenance and Improvement Fund (RMIF) and provides that of the balance remaining after deposit into the New Orleans Ferry Fund, 50% of remaining monies derived from the collection of fees and taxes collected pursuant to R.S. 47:462, and as provided in 47:481, shall be deposited into the TTF and 50% into the newly created RMIF. Proposed law provides that the RMIF shall be appropriated exclusively for maintenance and improvement for state highways in the parish in which the monies are collected and provides for entities to receive the appropriations. Proposed law repeals sunset of the New Orleans Ferry Fund.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law repeals sunset of the New Orleans Ferry Fund, which would revise the flow of approximately \$1.2 M annually derived from the collection of registration and license fees and taxes collected by the state pursuant to R.S. 47:462, and as provided in R.S. 47:481, in the parish of Orleans from the Statutory Dedication - Transportation Trust Fund Regular into the Statutory Dedication - New Orleans Ferry Fund. Monies in the New Orleans Ferry Fund are used exclusively to fund operations of the Chalmette ferry and to provide ferry service formerly operated by DOTD's Crescent City Connection Division.

The New Orleans Ferry Fund is set to terminate on June 30, 2018, under present law. Proposed law will allow ongoing ferry operation appropriations and expenditures of approximately \$1.2 M annually. Absent proposed law, these funds would instead flow into the Transportation Trust Fund Regular and be utilized for the general operating, maintenance and capital construction expenditures of DOTD.

Proposed law would also revise the flow of approximately \$2.7 M annually from the Transportation Trust Fund Regular into the newly created Regional Maintenance and Improvement Fund (see Table under Revenue Explanation on page 2). Absent proposed law, these funds would instead flow into the Transportation Trust Fund Regular and be utilized for the general operating, maintenance and capital construction expenditures of DOTD.

Proposed law provides that monies deposited into the Regional Maintenance and Improvement Fund shall be appropriated exclusively for maintenance and improvement for state highways in the parish in which the monies are collected. Proposed law provides that the appropriation for monies collected in the parishes of Jefferson, Tangipahoa and St. Tammany shall be appropriated to the Regional Planning Commission, and that monies collected in the parishes of St. Charles and St. John the Baptist shall be appropriated to the South Central Regional Planning Commission. **As the designated entities are not agencies of the state, the LFO assumes that such appropriations would be pass through allocations appropriated to the Department of Transportation and Development.**

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law repeals sunset of the New Orleans Ferry Fund, would result in the reallocation of approximately \$1.2 M Statutory Dedication revenues equal to truck and trailer registration and license fees and taxes collected in Orleans Parish, continuing to deposit these monies into the New Orleans Ferry Fund (scheduled for

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

- | | | |
|----------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------|
| Senate | <u>Dual Referral Rules</u> | House |
| <input checked="" 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:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

Creating a new statutory dedication (Regional Maintenance and Improvement Fund) within the state treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds and at some threshold the agency may require additional staff resources and incur additional SGF expenditures.

REVENUE EXPLANATION CONTINUED FROM PAGE 1

termination under present law on June 30, 2018) instead of the Transportation Trust Fund Regular. For informational purposes: between FY 14 and FY 17, average revenue collections from truck and trailer registration and license fees and taxes deposited into the New Orleans Ferry Fund have averaged approximately \$1.2 M annually.

Proposed law would also reallocate approximately \$2.7 M annually from the Transportation Trust Fund into the newly created Regional Maintenance and Improvement Fund. Proposed law provides that the revenues generated would be credited back to the originating parish within each appropriation.

Under present law, revenues generated in the statutorily designated parishes would flow 50% into the Transportation Trust Fund - Regular beginning on July 1, 2018, with the balance being sent to the Greater New Orleans Expressway Commission. Proposed law will segregate the Transportation Trust Fund allocation between three statutory dedications as below beginning in FY 19.

	<u>Present Law</u>		<u>Proposed Law</u>		
	FY 19	FY 19	FY 20	FY 21	FY 22
REC Estimate for Highway Fund No. 2	\$13,100,000	\$13,100,000	\$13,200,000	\$13,300,000	\$13,300,000
Greater New Orleans Expressway Commission	\$6,550,000	\$6,550,000	\$6,600,000	\$6,650,000	\$6,650,000
TTF - Regular	\$6,550,000	\$2,668,748	\$2,693,748	\$2,718,748	\$2,718,748
*New Orleans Ferry Fund	\$0	\$1,212,505	\$1,212,505	\$1,212,505	\$1,212,505
Regional Maintenance and Improvement Fund	\$0	\$2,668,748	\$2,693,748	\$2,718,748	\$2,718,748

*For simplicity, this fiscal note assumes future revenues deposited into the New Orleans Ferry Fund equal the historical average from FY 14 through FY 17. To the extent that revenues generated from truck and trailer registration and license fees and taxes collected in Orleans Parish vary from this average, the totals deposited into the TTF - Regular and the Regional Maintenance and Improvement Fund will deviate, receiving 50% of the balance available after allocation to the New Orleans Ferry Fund.

Senate
 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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