

### **LEGISLATIVE FISCAL OFFICE Fiscal Note**

Fiscal Note On: SB **332** SLS 18RS 507

Bill Text Version: ENGROSSED

Opp. Chamb. Action: w/ HSE FLOOR AMD

Proposed Amd.:

**REVISED** Sub. Bill For.:

**Analyst:** Alan M. Boxberger

Date: May 18, 2018 2:34 PM

**Author: CORTEZ** 

Dept./Agy.: DOTD

TRANSPORTATION/DEV DEPT

Subject: Requires posting DOTD project information to internet

EGF SEE FISC NOTE SD EX See Note Requires district offices of the Department of Transportation and Development to publish on the internet information

regarding projects within the district. (8/1/18)

Proposed law requires each DOTD district to publish weekly on DOTD's internet website information by parish regarding construction and maintenance work being performed by district employees, including but not limited to a description and location of the project or maintenance work performed.

Proposed law provides for requirements of Transportation Network Companies (TNC) in Louisiana; provides for definitions; provides for permitting; requires disclosure and reporting requirements; provides for general operating requirements; provides with respect to TNC drivers and requirements and restrictions thereof; provides for TNC policy requirements; provides for DOTD oversight powers and responsibilities; modifies the capacity of local governmental subdivisions, special districts, airport authorities, port authorities or other local governmental entities or political subdivisions to impose a fee or tax on TNCs and prohibits requiring licensure related to operations and employees by those subdivisions; clarifies that proposed law does not prevent airports from charging reasonable pick-up fees consistent with fees charged to taxicab companies at an airport, for use of airport facilities and pick-up locations, etc.; and provides for an effective date of July 1, 2018.

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

#### **EXPENDITURE EXPLANATION**

Publication of construction and maintenance information

Proposed law will likely result in a workload increase in the district offices as a result of weekly publication by parish regarding construction and maintenance work being performed by district employees. To the extent that district offices may be unable to absorb this additional workload, some additional cost may be incurred related to overtime expenses.

DOTD indicates that proposed law will result in a significant one-time implementation cost of approximately \$125,000 from Statutory Dedications - Transportation Trust Fund (TTF). DOTD's proposed implementation solution would require coding and modifications to the department's data and purchasing software and will result in ongoing, nominal costs for website maintenance in future fiscal years. DOTD proposes modifying its existing employee data and purchasing software to interface with maintenance data to enable the software to display information in a readable report format to be made available to the public on the internet.

Requirements for Transportation Network Companies

Proposed law would result in an indeterminable increase in SGR (and possibly other MOF) expenditures for DOTD associated with regulatory and audit functions pertaining to Transportation Network Companies (TNC) as well as operational costs associated with issuing

#### **SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2 REVENUE EXPLANATION**

Proposed law may result in an indeterminable increase in SGR revenues for DOTD if the department establishes a fee associated with issuing permits to Transportation Network Companies (TNCs) under authority of the Administrative Procedure Act. The LFO and DOTD assume that each individual operator may be considered a company and require a permit. The number of TNCs operating in Louisiana is unknown the the revenues generated from permitting activities is indeterminable. To the extent the number of such TNC operations may expand or shrink significantly in the future, permitting revenues may be impacted in a corresponding manner.

Proposed law will result in an indeterminable impact on local funds revenues. In some cases, existing permitting and regulation of TNCs by local municipal ordinance likely generate revenues in excess of that possible under proposed law. Under existing municipal ordinances, TNCs are required to acquire permits at costs of between \$250 and \$15,000, and in some cases remit trip taxes or fees in amounts of \$0.50 to \$1.00 per trip. Supplanting existing permitting activities will likely have a negative impact on revenues for certain large municipalities. Proposed law will not impact per-trip fees on intrastate prearranged rides already in effect under local ordinance as of March 1, 2018, but per-trip fees are precluded from being modified above the existing level in the future. This provision is not anticipated to directly impact local funds revenues, except to the extent that it precludes future increases.

Proposed law authorizes imposing a fee of up to 1% of the gross trip fare for each intrastate prearranged ride by any local governmental subdivision that does not have an existing ordinance imposing a per-trip fee. This provision may result in an indeterminable increase in local funds revenues to the extent local governmental subdivisions enact per-trip fees of up to 1% of gross trip fare. The prospective fee levels and the number and values of gross trip fares that may be impacted are indeterminable.

<u>Senate</u>	Dual Referral Rules	House	Carana
13.5.1 >=	= \$100,000 Annual Fiscal Cost {S&H}	6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Evan Brasseaux
 □ 13 5 2 >:	= \$500,000 Annual Tax or Fee	6.8(G) >= \$500,000 Tax or Fee Increase	Evan Brasseaux
	Change {S&H}	or a Net Fee Decrease {S}	Staff Director



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## CONTINUED EXPLANATION from page one: EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

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permits to TNC drivers. <u>Proposed law</u> establishes requirements and operating parameters for Transportation Network Companies (TNC) offering service in the state of Louisiana.

Proposed law provides that a person shall not operate a company in this state without first obtaining a TNC permit from DOTD. The LFO and DOTD assume that each individual operator may be considered a "company" and require a permit. DOTD is unable to determine the scope or volume of TNCs requiring permits or the level of regulatory activities that would accompany those operations. DOTD reports that it will realize a workload impact associated with promulgating rules to provide for implementation and enforcement of proposed law, and will realize an indeterminable, but potentially significant workload impact associated with permitting TNCs to operate in Louisiana. To the extent that such permitting activities cannot be absorbed within the existing permitting function at DOTD, the department may require additional budgetary and staff resources. To the extent the number of such TNC operators may expand or shrink significantly in the future, expenditures relating to the permitting function may be impacted in a corresponding manner.

<u>Propose law</u> requires certain audit functions to be performed by DOTD, which will result in an indeterminable, but potentially significant workload impact. DOTD will be required to audit companies no more than annually to determine compliance with the requirements of <u>proposed law</u> and will be required to submit copies of the audit reports to local governmental subdivisions upon request. <u>Proposed law</u> authorizes DOTD to investigate and resolve specific complaints against any driver or company. DOTD shall also have sole audit authority with respect to fees remitted by TNCs to local governmental subdivisions. <u>DOTD is unable to estimate the workload that may be required as a result of the prescribed audit and investigative functions, but to the extent the workload created cannot be absorbed with existing resources the department would require indeterminable additional budgetary and staff resources.</u>

NOTE: For the expenditure obligations reported above, to the extent that DOTD is unable to fully recover all potential costs through permitting fees (assumed by the LFO to be established in accordance with the Administrative Procedure Act), the department would be required to utilized other means of finance to fund these expenditure obligations. It is unclear whether this activity would be an allowable use of the Transportation Trust Fund (TTF). To the extent the TTF could not be used for these purposes, DOTD would be required to identify an alternative means of funding this activity or may require a SGF (Direct) appropriation.

<u>Proposed law</u> preempts existing local ordinances with regard to permitting of TNCs. This will likely result in an indeterminable decrease in permitting activities within certain municipalities that currently have ordinances involving the issuance of permits governing the operation of TNCs.

<u>Proposed law</u> provides that municipalities that include per-trip fees established by local governmental authorities statewide as of March 1, 2018, are authorized to impose fees up to or equal to the per trip fee imposed by the local ordinance as of March 1, 2018, but restricts any other fees or taxes. <u>Proposed law</u> may result in an indeterminable impact on local governmental operations and expenditures if those subdivisions currently collect any fee or tax other than one based on a per-trip fee on intrastate prearranged rides and use those monies for general operations.

<u>Senate</u> 13.5.1 >=	<u>Dual Referral Rules</u> \$100,000 Annual Fiscal Cost {S&H}	House $6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	Evan	Brasseaux
13.5.2 >=	\$500,000 Annual Tax or Fee	6.8(G) >= \$500,000 Tax or Fee Increase	Evan Brassea Staff Director	