

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 369** HLS 19RS 447

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 15, 2019	4:50 PM	Author: PIERRE
Dept./Agy.: La Trucking Research and Education Council		Analyst: Alan M. Boxberger
Subject: Creates the La Trucking Research and Education Council		

MTR VEHICLE/TRUCKS OR +\$1,827,000 OF RV See Note
Creates the Louisiana Trucking Research and Education Council

Proposed law creates the La. Trucking Research and Education Council and establishes its domicile as Baton Rouge, LA; specifies that the council is to be comprised of 13 members who serve terms concurrent with the governor; requires that the council meet immediately following appointment to elect leadership positions; authorizes the council to disqualify any member for cause and provides for filling a vacancy; specifies the council may establish rules and regulations; specifies that the council is subject to the Public Records and Open Meetings Laws; authorizes the council to exercise certain powers; requires that DOTD, office of multimodal commerce, provide staff support for the council until a cooperative endeavor agreement is finalized; requires that the surcharge imposed and levied at the rate of 3% of all single-trip special permit fee and the surcharge imposed and levied at the rate of 3% on all Class 1 truck and trailer fees, as provided in **present law**, be paid in addition to and simultaneous with any special permit fee; and specifies that the surcharge be paid by the relevant state agency to the council on a quarterly basis.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$1,827,900	\$1,827,900	\$1,827,900	\$1,827,900	\$1,827,900	\$9,139,500
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	\$1,827,900	\$1,827,900	\$1,827,900	\$1,827,900	\$1,827,900	\$9,139,500

EXPENDITURE EXPLANATION

Proposed law will result in a significant increase in one-time expenditures for the Department of Transportation and Development (DOTD), a nominal increase in one-time expenditures for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV), and a significant increase in recurring expenditures for the newly created Louisiana Trucking Research and Education Council (council). **Proposed law** creates the Louisiana Trucking Research and Education Council to promote education, training, research, and development for enhanced safety and efficiency within the industry.

DOTD

One-time Expenditures

Proposed law authorizes DOTD to impose and levy a 3% surcharge on all single-trip permit fees as provided in R.S. 32:287 (H)(2) and to deposit the collections with the council on a quarterly basis. DOTD estimates the one-time cost to update the permitting software system to add the 3% surcharge to be approximately \$85,000-\$120,000 - assumed to be TTF-Regular.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law will result in a significant increase in restricted/other revenues to be collected by DOTD and DPS/OMV, then transferred to the newly created council. Total revenues to the council are estimated at approximately \$1.83 M annually.

DOTD

Proposed law authorizes DOTD to impose and levy a 3% surcharge on all single-trip permit fees as provided in R.S. 32:287 (H)(2) and to deposit the collections with the council on a quarterly basis. DOTD reports that average single-trip permit fee collections over FYs 17 and 18 were \$16.93 M. The 3% surcharge imposed by **proposed law** would generate approximately \$507,900 annually to the council.

DPS/OMV

Proposed law authorizes OMV to impose and levy a 3% surcharge on all Class 1 truck and trailer fees as provided in R.S. 47:462(B)(3)(a) and to deposit the collections with the council on a quarterly basis. OMV reports that the average fees collected pursuant to **present law** equate to approximately \$44 M per year. The 3% surcharge imposed by **proposed law** would generate approximately \$1.32 M annually to the council.

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}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Recurring Expenditures

Proposed law directs DOTD to provide staff support for the council until such time that the council is able to enter into a Cooperative Endeavor Agreement (CEA) with the Louisiana Motor Transport Association for the use of staff and resources to carry out the powers and duties of the council. **Proposed law** does not give a timeline for when the CEA must be implemented, however DOTD estimates that a minimum of 255 work hours will be needed to set up the council, initiate council meetings and perform other recurring functions for a one-year time frame. To the extent the CEA is adopted within the first year, these would be one-time expenditures for DOTD. However, if the CEA carries over into future fiscal years, DOTD will be required to provide recurring support. DOTD estimates that the cost to provide necessary support services utilizing an existing employee at \$35/hour would be approximately \$12,050 annually (\$35 x 255 hours plus 35% related benefits) - assumed to be TTF-Regular.

DPS/OMV

One-time Expenditures

Proposed law authorizes OMV to impose and levy a 3% surcharge on all Class 1 truck and trailer fees as provided in R.S. 47:462(B)(3)(a) and to deposit the collections with the council on a quarterly basis. OMV estimates that updates to the vehicle registration system will require 160 hours by an IT Applications Programmer/Analyst 3 for coding changes related to vehicle registration accounting/transactions. OMV estimates total overtime and related costs at \$12,175 (160 hours x \$75/hour plus 1.45% Medicare) - assumed to be SGF. 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 and system modifications, the Department will likely require additional resources.

Louisiana Trucking Research and Education Council

Recurring Expenditures

Proposed law provides that the council will promote education, training, research, and development for enhanced safety and efficiency within the industry through a variety of activities. Because the council has not been formally created and the staffing level and cost projections are unknown, total expenditures of the council are indeterminable but expected to be significant based on the total revenues to be generated for its operations from a 3% surcharge on all single-trip permit fees as provided in R.S. 32:287(H)(2) and a 3% surcharge on all Class 1 truck and trailer fees as provided in R.S. 47:462(B)(3) (a). Combined, these sources are anticipated to generate approximately \$1.825 M for annual operating expenses.

Proposed law provides that the council shall enter into a cooperative endeavor agreement (CEA) with the Louisiana Motor Transport Association, a nonprofit corporation, for the use of staff and resources to carry out the powers and duties of the council. Council members shall not receive a salary for their services, but shall be reimbursed for actual travel expenses and provided with reasonable per diem for attendance at meetings of the council. The reimbursement shall be made from funds available to the council. The membership of the council shall be comprised of the following: eight trucking industry representatives, the superintendent of the Louisiana State Police (or designee), the superintendent of education (or designee), the secretary of DOTD (or designee), the chairman of the Board of Supervisors of the Louisiana Community and Technical College System (or designee), and the secretary of the Louisiana Workforce Commission (or designee).

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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