



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 369** HLS 19RS 447
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: May 31, 2019	9:15 AM	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 RE1 +\$871,455 SD RV See Note Page 1 of 2
 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 the surcharge imposed and levied at the rate of \$15 on all truck registrations issued pursuant to R.S. 47:511 and all Class 1 registration fees for trucks and trailers in excess of 23,999 pounds, as provided in **present law**, be paid in addition to and simultaneous with any registration fee; provides for the creation of the Trucking Research and Education Council Fund Account and provides for monies in the fund account; 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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
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	\$871,455	\$871,455	\$871,455	\$871,455	\$871,455	\$4,357,275
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>	<u>\$0</u>
Annual Total	\$871,455	\$871,455	\$871,455	\$871,455	\$871,455	\$4,357,275

EXPENDITURE EXPLANATION

Proposed law will result in nominal one-time expenditures for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV), a significant increase in recurring expenditures for the newly created Louisiana Trucking Research and Education Council (council), and a potential increase in recurring expenditures for the Louisiana Treasury. **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.

DPS/OMV

One-time Expenditures

Proposed law authorizes OMV to impose and levy a \$15 surcharge on all truck registrations issued pursuant to R.S. 47:511 and all Class 1 registration fees for trucks and trailers in excess of 23,999 pounds as provided in R.S. 47:462(B)(3)(a) and to deposit the collections in the Trucking Research and Education Council Fund Account within the Treasury to be transferred to 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

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law will result in a significant increase in statutory dedication revenues to be collected by DPS/OMV, deposited into the newly created Trucking Research and Education Council Fund Account, and then transferred to the newly created council. Total revenues to the council are estimated at approximately \$871,455 annually.

DPS/OMV

Proposed law authorizes OMV to impose and levy a \$15 surcharge on all truck registrations issued pursuant to R.S. 47:511 and all Class 1 registration fees for trucks and trailers in excess of 23,999 pounds as provided in R.S. 47:462(B)(3)(a) and to deposit the collections in the Trucking Research and Education Council Fund Account within the Treasury to be transferred to the council on a quarterly basis. **Proposed law** provides for collection of a \$15 surcharge at the issuance of any annual registration or license tax for Class 1 trucks and trailers with a gross weight ranging from 24,000 to 80,000 pounds. OMV reports there are currently 31,725 trucks in the database registered with a weight in this range, a number that would generate approximately \$475,875 annually (\$15 x 31,725). The \$15 surcharge will also apply to vehicles registered under 47:511, related to the International Registration Plan for apportioned vehicles. OMV reports there are currently 26,372 registered vehicles that would fall under this provision, generating an additional \$395,580 annually (\$15 x 26,372). OMV reports that the provision requiring a \$15 surcharge on trailers listed in R.S. 47:462 cannot be collected, as the weight of a trailer is not required to be captured at registration. Therefore, **proposed law** would generate approximately \$871,455 annually to be deposited into the Truck Research and Education Council Fund Account to be transferred to the council.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<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 checked="" 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:
EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

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 \$15 surcharge on all truck registrations issued pursuant to R.S. 47:511 and all Class 1 registration fees for trucks and trailers in excess of 23,999 pounds as provided in R.S. 47:462(B)(3)(a). This source is anticipated to generate approximately \$871,455 for annual operating expenses.

Proposed law provides that the council shall enter into a cooperative endeavor agreement (CEA) with the LMTA (Louisiana Motor Transportation Association) Foundation, Inc., 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. 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 president 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).

Louisiana Treasury

Creating a new statutory dedication (Trucking Research and Education Council Fund Account) 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. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 399 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates a personal services expenditure increase of approximately \$71,000 for 1 T.O. position plus approximately \$2,500 for a one-time purchase of office equipment. These expenditures are assumed to be SGF.

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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