LEGISLATIVE FISCAL OFFICE
Fiscal Note

Date: May 13, 2021 5:34 PM	**Author:** PHELPS
Dept./Agy.: Public Safety, Office of Motor Vehicle	
Subject: Insurance Reinstatement Fees	**Analyst:** Patrice Thomas

MTR VEHICLE/VIOLATIONS   EG -$299,500 RV See Note   Page 1 of 2

Provides relative to sanctions for a lapse in required liability security

Under present law, if a vehicle has an insurance lapse, the following reinstatement fees apply: (1)$100 per violation for 1-30 days, (2) $250 per violation for 31-90 days, (3) $500 per violation over 90 days. Under proposed law, if it's the first lapse of insurance coverage and the lapse was 10 days or less, the $100 reinstatement fee does not apply.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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	$0	$0	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	$0	$0	$0	$0	$0	$0
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	$0
Agy. Self-Gen.	($119,800)	($119,800)	($119,800)	($119,800)	($119,800)	($599,000)
Ded./Other	($179,700)	($179,700)	($179,700)	($179,700)	($179,700)	($898,500)
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	$0	$0	$0	$0	$0	$0
Annual Total	($299,500)	($299,500)	($299,500)	($299,500)	($299,500)	($1,497,500)

EXPENDITURE EXPLANATION

Proposed law will result in a one-time programming change of $12,986 (assumed to be SGF) in the Department of Public Safety (DPS), Office of Motor Vehicles (OMV). The Legislative Fiscal Office believes that the department can potentially accomplish these tasks utilizing existing resources and budget authority as similar changes are enacted annually by legislative instruments and paid from base funding. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources.

While proposed law does not otherwise directly impact state or local governmental expenditures, it does eliminate a combined $299,500 ($119,800 SGR and $179,700 Statutory Dedications out of the Real Time Insurance Verification System Fund) revenues used to support certain functions within the Department of Public Safety, specifically a portion of State Police trooper salaries and the general operating costs of the Office of Motor Vehicles. To the extent that the legislature continues to fund activities in the Department of Public Safety supported by these revenues at the same or a diminished level in subsequent fiscal years, the funding sources supporting the base expenditures must be replaced by SGF or another revenue source to supplant the loss of SGR and statutory dedications. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

REVENUE EXPLANATION

Proposed law will decrease self-generated revenue in the Department of Public Safety, Office of Motor Vehicles (OMV) by $119,800 as well as revenues in the statutorily dedicated Real Time Insurance Verification System Fund by $179,700 as a result of eliminating reinstatement penalties on first time insurance cancellations of 10 days or less. This fiscal note presumes the proposed law will apply only to prospective revenues and not impact existing uncollected reinstatement fees. Monies from the Real Time Insurance Verification Fund are used within the Office of State Police for trooper salaries. SGR collected by OMV in excess of appropriation is deposited into the SGF.

Under present law, a $100 reinstatement fee is charged on insurance cancellations less than 30 days plus a $25 administrative fee. Of the $100 fee, $25 is credited to self-generated revenue, and $75 is credited to the Real Time Insurance Verification System Fund. The proposed law eliminates the $100 reinstatement fee on insurance cancellations from 1 - 10 days. Based on actual reinstatement data from FY 20, the proposed law would eliminate reinstatement fees on an estimated 2,396 first-time violators that have insurance lapses from 1 - 10 days with revenue collection of $299,500 (2,396 x $125) - See table detailing estimates on the following page. The Legislative Fiscal Office presumes the same number of first time insurance cancellations will remain constant each year.
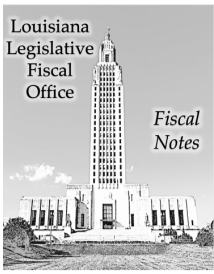
Senate	Dual Referral Rules	House	
☒ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☐ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Alan M. Boxberger

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LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana
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*Fiscal
Notes*

Fiscal Note On: **HB**   **536**   HLS   21RS   682

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE FLOOR AMD**

Sub. Bill For.:

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

FY 20	First-Time Violators	Current fee	Current collections
Day 1	94	$125	$11,750
Day 2	584	$125	$73,000
Day 3	427	$125	$53,375
Day 4	317	$125	$39,625
Day 5	241	$125	$30,125
Day 6	192	$125	$24,000
Day 7	186	$125	$23,250
Day 8	142	$125	$17,750
Day 9	118	$125	$14,750
Day 10	95	$125	$11,875
Total	**2,396**		**$299,500**

Senate   Dual Referral Rules   House

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}   [ ] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

[ ] 13.5.2 >= $500,000 Annual Tax or Fee   [ ] 6.8(G) >= $500,000 Tax or Fee Increase
      Change {S & H}   or a Net Fee Decrease {S}

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