



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 512** HLS 22RS 885
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 15, 2022 7:18 AM	Author: ZERINGUE
Dept./Agy.: Public Safety, Office of Motor Vehicles	
Subject: Eliminates State Inspection Sticker for Commercial Vehicles	Analyst: Patrice Thomas

MTR VEHICLE/INSPECTION OR -\$82,267 SG RV See Note Page 1 of 1
 Provides relative to a commercial motor vehicle inspection

Present law requires an annual charge of \$30 for the inspection of all commercial motor vehicles. Under present law, the \$30 inspection fee is divided as follows: (1) the motor vehicle inspection station operator who performs the inspection retains \$23.75; (2) the Office of Motor Vehicles (OMV) receives \$2.25; (3) the Office of State Police receives \$4. Proposed law repeals the present law requiring annual inspection of commercial motor vehicles.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$411,335)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$411,335)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$82,267)	(\$411,335)

EXPENDITURE EXPLANATION

Proposed law will result in a one-time IT programming change of \$1,420 (assumed to be SGF) in the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) to eliminate the \$30 inspection sticker fee for commercial vehicles. The Office of Technology Services (OTS) would perform the programming changes at an estimated 20 hours of overtime by an IT Applications Analyst 2 (20 hours x \$70 per hour = \$1,400 x 1.45% Medicare tax = \$20; Total of \$1,420). 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.

For each \$30 inspection sticker fee collected on commercial vehicles, OMV receives \$2.25, State Police receives \$4, and the remaining \$23.75 is retained by the local Motor Vehicle Inspection (MVI) station. If proposed law is enacted, the OMV reports that commercial vehicles will be subjected to the \$10 annual inspection sticker fee for all vehicles except student transportation vehicles. For each \$10 inspection sticker fee collected on commercial vehicles, OMV receives \$1.25, State Police receives \$4, and the remaining \$4.75 is retained by the local MVI station.

While proposed law does not otherwise directly impact state or local governmental expenditures, it does eliminate a combined \$82,267 SGR used to support the general operating costs of OMV. To the extent that the legislature continues to fund activities in OMV 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. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

OMV - Projected Reduction Annual SGR Revenues

	Insp. Stickers*	Fee Retained	OMV
\$30 Inspection Sticker Fee	82,267	\$2.25	\$185,101
\$10 Inspection Sticker Fee	82,267	(\$1.25)	(\$102,834)
Difference		\$1.00	\$ 82,267

*Based on 3-year average (FY 19, FY 20, and FY 21 actuals)

REVENUE EXPLANATION

Proposed law reduces annual SGR revenues in the OMV by \$82,267. Proposed law removes the inspection sticker requirement for commercial vehicles. The annual inspection sticker fee is \$30. The fiscal note assumes commercial vehicles will now be required to pay the \$10 annual inspection sticker fee. Based on average commercial inspection sticker sales from FY 19 - FY 21, OMV anticipates a revenue loss of \$82,267. Note: Proposed law is anticipated to significantly reduce the revenues MVI stations receive from inspection stickers by \$1,563,073.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Evan Brasseaux

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 Interim Deputy Fiscal Officer