



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 871** HLS 22RS 1500
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|--|----------|--------------------------------|
| Date: May 31, 2022 | 10:24 AM | Author: MARCELLE |
| Dept./Agy.: Office of Motor Vehicles | | Analyst: Patrice Thomas |
| Subject: Written Promise Failure to Appear Reinstatement Fees | | |

MTR VEHICLE/DRIVER LIC RE -\$4,779,681 SG RV See Note Page 1 of 1
 Provides relative to reinstatement fees for an arrested person's failure to honor a written promise to appear

Under present law, if an arrested person fails to appear in court, after 60 days the courts notify the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) of their failure to honor written promise to appear. OMV suspends the driver's license of the arrested person. Once an arrested person makes an appearance in court, a notification is sent to OMV. Present law provides the arrested person may get their driver's license reinstated with an additional fee of \$50 to OMV. Proposed law waives the additional \$50 fee.

| EXPENDITURES | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | | | | | | |
| REVENUES | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>5 -YEAR TOTAL</u> |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | (\$4,779,681) | (\$4,779,681) | (\$4,779,681) | (\$4,779,681) | (\$4,779,681) | (\$23,898,405) |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>(\$665,390)</u> | <u>(\$665,390)</u> | <u>(\$665,390)</u> | <u>(\$665,390)</u> | <u>(\$665,390)</u> | (\$3,326,950) |
| Annual Total | (\$5,445,071) | (\$5,445,071) | (\$5,445,071) | (\$5,445,071) | (\$5,445,071) | (\$27,225,355) |

EXPENDITURE EXPLANATION

Proposed law will result in a one-time IT 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 the proposed law does not otherwise directly impact state or local governmental expenditures, it does eliminate a combined \$5,445,071 (\$4,779,681 SGR and \$665,390 Local Funds) in revenues used to support certain functions within the Department of Public Safety, specifically 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 (DPS), Office of Motor Vehicles (OMV) by \$4,779,681 as well as Local Funds revenues by \$665,390 as a result of eliminating reinstatement penalties on failure to honor written promise to appear in court. Currently, the \$50 reinstatement fee is divided between OMV (\$37.50) and the local courts (\$12.50). Any SGR collected by OMV in excess of appropriation is deposited into the SGF.

According to DPS, there are 929,627 outstanding written promises failure to appear, totaling potential revenue of \$81.3 M to OMV (\$37.50 x 929,627 = \$34.9 and \$50 x 929,627 = \$46.4 M) and \$11.6 M to local courts (\$12.50 x 929,627). This fiscal note presumes the proposed law will apply only to prospective revenues and does not impact existing uncollected reinstatement fees.

| | Violations (1-5 days) | Revenue Collections |
|----------|-----------------------|---------------------|
| FY 16-17 | 60,080 | \$5,974,675 |
| FY 17-18 | 60,349 | \$6,013,563 |
| FY 18-19 | 58,654 | \$5,879,943 |
| FY 19-20 | 45,714 | \$4,554,313 |
| FY 20-21 | <u>48,198</u> | <u>\$4,802,863</u> |
| Average | 54,599 | \$5,445,071 |

| Senate | <u>Dual Referral Rules</u> | House |
|--|----------------------------|--|
| <input 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

Evan Brasseaux
 Interim Deputy Fiscal Officer