



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 389** SLS 22RS 581
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date:	Author: REESE
Dept./Agy.: Revenue / OMV	
Subject: Reinstatement of Driver's license due to delinquent tax	Analyst: Emily DiPalma

TAX/INCOME/PERSONAL EG1 SEE FISC NOTE SG RV See Note Page 1 of 1
 Provides relative to the suspension of driver's licenses for failure to pay taxes. (gov sig)

Current law mandates the Department of Public Safety, Office of Motor Vehicles (OMV) to suspend the Louisiana driver's license of an individual with more than \$1,000 in final and non-appealable delinquent personal income tax liabilities (exclusive of penalty, interest, costs and other charges) when notified by the Department of Revenue (LDR). The suspension remains in place until the delinquency (including penalty, interest and all costs) is resolved by payment or payment plan and the OMV is notified by LDR. The law provides for OMV to issue an economic hardship license until the earlier of 1 year or a payment/payment plan is in place with LDR.

Proposed law retains current law and provides for OMV to reinstate driver's licenses suspended for delinquent personal income tax without requiring additional action of the taxpayer once payment or a payment plan is in place. Proposed law allows for LDR to provide for the suspension of drivers licenses at higher thresholds of delinquent personal income tax liabilities based on an individual's historical compliance with Louisiana tax law, as well as the facts and circumstances related to the current unpaid tax liability, and may accept surety or collateral in lieu of suspension. Effective upon governor signature.

EXPENDITURES	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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION
 To the extent that LDR exercises the option to apply a higher delinquency threshold before suspending driver's licenses, OMV expenditures would decrease as the cost to implement some suspensions and reinstatements would not be incurred.

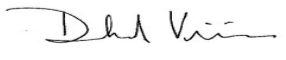
REVENUE EXPLANATION
 The bill states that LDR shall promptly notify OMV to reinstate driving privileges without additional action required of the individual once payment or arrangement to pay has been made with LDR. It is not clear if the bill specifically waives the OMV mandate to collect reinstatement fees for these reinstated licenses in R.S. 32:414(H) under current law. Of the \$60 reinstatement fee, \$10 is allocated to LDH for EMS services with 50% (\$5) remaining with LDH, 45% (\$4.50) for local EMS, and 5% (\$0.50) remaining with DPS for administrative costs. LDH budgets about \$100,000 total from this fee for reinstatement of all relevant suspended licenses, which includes tax delinquencies.

OMV indicates that an average of 7,757 accounts were cleared with a reinstatement fee of \$60 between FY17-19, which presumes about \$455,000 in fees collected.

To the extent that LDR chooses to apply a higher tax delinquency threshold before suspending driver's licenses, the fee collections for OMV, and subsequently state and local EMS and DPS, would be lower as some suspensions and reinstatements will not take place.

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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