

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 98** SLS 13RS 290

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

Date: April 10, 2013 9:43 AM	Author: NEVERS
Dept./Agy.: Department of Public Safety	Analyst: Alan M. Boxberger
Subject: Provide for issuance of motor vehicle certificates of title	

MOTOR VEHICLES

OR DECREASE SG EX See Note

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Provides for issuance of motor vehicle certificates of title by public license tag agents. (1/1/14)

Present law requires the commissioner of the Office of Motor Vehicles (OMV) to promulgate rules and regulations for the issuance of registration licenses, collection of registration license taxes, and to implement and govern a system of public license tag agents. Proposed law adds a requirement to promulgate rules and regulations for issuance of motor vehicle certificates of title and requires that, beginning on 1/1/14, that any application for a motor vehicle certificate of title made in person over-the-counter can only be made to and issued by a public license tag agent licensed and contracted with OMV; provides that such restriction does not apply to applications made by mail to OMV; provides specific qualifications for licensed public tag agents in addition to those set forth in R.S. 47:532.1 and Chapter 4 of Title 32 of the Louisiana Revised Statutes of 1950.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$405,435)	(\$810,870)	(\$810,870)	(\$810,870)	(\$810,870)	(\$3,648,915)
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	(\$405,435)	(\$810,870)	(\$810,870)	(\$810,870)	(\$810,870)	(\$3,648,915)

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in a reduction of expenditures and T.O. within the Office of Motor Vehicles. OMV projects an annual cost savings of \$810,870 in SGR. OMV estimates that 20% of customers currently requesting titles from the Office of Motor Vehicles will use Public Tag Agents. OMV projects the reduced workload will allow a reduction of 20 T.O. positions (Motor Vehicle Compliance Analysts). The annualized cost savings are projected at \$810,870, comprised of \$503,680 in salaries, \$212,022 in related benefits, \$92,000 in operating services (postage for mailed titles), and \$3,168 in supplies (envelopes). Because the effective date is January 1, the first year cost savings will be half of the annualized projection, or \$405,435.

OMV already has existing contracts with public license tag agents around the state. Public tag agents process OMV transactions for private citizens and add a fee-for-service on top of standard OMV fees. Public tag agents are currently concentrated primarily in urban and metropolitan areas. There are few or no public tag agents operating in many rural parts of the state. Citizens living in rural areas would instead likely rely on through-the-mail transactions.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|--|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} | |
| <input 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
Staff Director