

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 218** SLS 13RS 469

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 24, 2013 8:46 AM	Author: MORRELL
Dept./Agy.: Department of Transportation and Development	Analyst: Alan M. Boxberger
Subject: Prohibits collection of fines for failure to pay CCC Tolls	

ROADS/HIGHWAYS

EGF DECREASE SD RV See Note

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Prohibits DOTD from collecting fines from persons not paying tolls on the Crescent City Connection. (gov sig)

Proposed law prohibits DOTD from enforcing present law (vacated by Judge William Morvant of the 19th JDC) to collect a toll, charge, administrative fee, or late charge required from any person for failure to pay a toll to cross the CCC from January 1, 2013, through March 5, 2013. Proposed law, would create a toll violation amnesty program, allowing individuals with outstanding toll violations to pay unpaid tolls and be forgiven any charges, administrative fees or late charges associated with violations prior to January 1, 2013; and allows DOTD to retain 20% of any revenues collected to provide for expenses related to administrative costs. Upon conclusion of the toll violation amnesty program, DOTD is directed to turn over all evidence of outstanding violations to the Department of Justice or the Department of Revenue for debt collection.

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.	INCREASE	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$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		\$0	\$0	\$0	\$0	\$0

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.	DECREASE	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$434,845)	\$0	\$0	\$0	\$0	(\$434,845)
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		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law, may create a significant but indeterminable increase in expenditures by the Department of Transportation and Development (SGR and statutory dedications - Transportation Trust Fund) and by the Departments of Justice and Revenue (SGR).

On 3/5/2013, Judge William Morvant of the 19th Judicial District Court nullified the November 6th election that extended toll collections on the Crescent City Connection Bridge for a 20 year period beginning on January 1, 2013. The judge ordered that a new election take place on 5/4/2013, at which time voters denied extension of the tolls. DOTD ceased collecting tolls at 6pm on the evening of the judgment. Based on violations issued between January 1, 2013, and March 5, 2013, the total amount due was \$482,869.75. To date, \$48,025.25 of that total has been remitted to DOTD. Proposed law will cause the remaining balance of \$434,844.50 to be null and void. Proposed law is silent with regard to a requirement to reimburse or refund payments already received.

SEE CONTINUED EXPENDITURE EXPLANATION ON PAGE 2

REVENUE EXPLANATION

Proposed law will result in a loss of Statutory Dedications - Crescent City Connection Toll Fund, in an amount of \$434,844 associated with toll violations incurred between January 1, 2013 and March 5, 2013. Proposed law may result in a loss of \$9.4 M SGR associated with outstanding charges, administrative fees and late charges incurred by toll violators prior to January 1, 2013.

Proposed law prohibits DOTD from collecting outstanding tolls, charges, administrative fees and late charges associated with toll collections between January 1, 2013 and March 5, 2013. Based on violations issued between January 1, 2013, and March 5, 2013, the total amount due was \$482,869.75. To date, \$48,025.25 of that total has been remitted to DOTD. Proposed law will cause the remaining balance of \$434,844.50 to be null and void. Toll violations would have been deposited into the now-nullified Statutory Dedication - Crescent City Connection Toll Fund.

SEE CONTINUED REVENUE EXPLANATION ON PAGE 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" 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

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CONTINUED EXPLANATION from page one:
CONTINUED EXPENDITURE EXPLANATION

Proposed law creates several potential impacts and outcomes.

Department of Transportation and Development

DOTD indicates that 136,114 outstanding toll violation invoices exist for the time period encapsulating calendar years 2006 through 2012. DOTD reports that it would be required to hire an unknown number of temporary job appointments to process the workload associated with a toll violation amnesty program. While proposed law allows DOTD to retain 20% of collected revenues, the amount collected may cover approximately only 1/3 of the potential expenditures in the event that all outstanding toll amounts are paid. The toll violations have a total tolls due amount of \$351,926. To the degree that 100% of outstanding tolls are not collected, the revenues to support the workload increase would decrease proportionally. DOTD indicates that any additional personnel costs would be absorbed by the department's existing appropriation authority, assumed by the Legislative Fiscal Office to indicate a potential use of Transportation Trust Fund dollars.

Proposed law provides that of the \$4 M available for appropriation to DOTD for capitalization of ferry services from the Crescent City Connection Fund as per R.S. 48:1161.2(D), \$700,000 shall be available for initial operation costs.

Department of Justice

DOJ indicates that the bill is unclear as to whether it will be required to send out required notices at the end of the amnesty program, as it does on current potential debt notifications. DOJ indicates that if it is required to send notices and monitor each account within existing timeframes to bring the debt to collectible status, that it would likely require the addition of one full-time T.O. position and personal services costs. DOJ indicates that a requirement to send out notifications could result in a significant, but indeterminable expense. DOJ indicates that if the bill were interpreted to allow for suspension of the notification requirement, that it could add the debts to its existing portfolio and absorb the workload with current staff.

Department of Revenue

The Department of Revenue indicates that if the outstanding debts were turned over to that department at the end of the amnesty program, that it would create an additional workload and some increase in expenditures, although they are not perceived to be significant and could potentially be absorbed within existing expenditure authority.

NOTE: Proposed law is silent with regard to what criteria should determine assignment of debt collections to either the Department of Justice or the Department of Revenue.

CONTINUED REVENUE EXPLANATION

Department of Transportation and Development

DOTD provided information indicating that there are 136,114 outstanding toll violation invoices that were incurred against violations prior to January 1, 2013. These toll violations have a total tolls due amount of \$351,926, and a total fines/penalties amount due of \$9,373,729. Proposed law would forgive the charges, administrative fees and late charges in an amount up to \$9.4 M, if every person with an outstanding invoice were to take part in the amnesty program. DOTD would be allowed to retain up to a maximum of \$70,385 (\$351,926 outstanding tolls due x 0.20) as part of its 20% retainage for administrative expenses. The total tolls due of \$351,926 represents the maximum potential revenues under proposed law during the amnesty period.

Any individual that does not take advantage of the amnesty program will be responsible for existing tolls due and charges, administrative fees and late charges after October 1, 2013. Proposed law dictates that these outstanding invoices should be turned over to the Department of Justice or the Department of Revenue after October 1, 2013, for debt collection.

Department of Justice

If DOJ were given outstanding toll violation invoices for debt collection processing, it has authority under R.S. 49:257(g) to retain up to 25% of the total debts collected to pay for administrative expenses. Depending on the number of violations handed off to the department after the amnesty program, this could create a significant but indeterminable increase in SGR revenues for DOJ (\$9.7 M total tolls due plus fines due x 0.25 = \$2.4 M maximum if no individuals participate in the amnesty program). The balance of collected revenues after the 25% retainage would revert to DOTD as SGR.

Department of Revenue

If the Department of Revenue were given outstanding toll violation invoices for debt collection processing, it is unclear whether it has statutory authority to retain any revenues to cover administrative costs. Proposed law is silent in this regard. The total of collected revenues are assumed to revert to DOTD as SGR, a total of up to \$9.7 M SGR.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" 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}	

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