

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 138** SLS 14RS 319
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 12, 2014 8:20 AM	Author: MILLS
Dept./Agy.: Public Safety	Analyst: Matthew LaBruyere
Subject: Drivers' Licenses	

MOTOR VEHICLES OR INCREASE GF EX See Note Page 1 of 1

Authorize university logo to be placed on a driver's license or identification card issued by the office of motor vehicles. (1/1/15)

Proposed law provides for exhibition of any state university's logo in color on a driver's license or identification card, upon request and payment of a university logo fee, if any, established by a state university for the use and display of its logo.

Proposed law provides for collection of such university logo fees by the Department of Public Safety and Corrections and quarterly disbursement of monies collected to the foundation of such state universities.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

The proposed legislation will likely result in a significant increase in state general fund expenditures. To the extent a state university enters into an agreement with the Office of Motor Vehicles (OMV) for placement of the university logo on a driver's license, OMV will incur a one-time professional services (contract provider) expense associated with a driver's license format change in an amount of \$175,000. The format change will occur if 1 or multiple schools enter into agreement with OMV. The cost for the vendor to add a logo to the system would be \$30,000 per logo. The term university refers to institutions offering undergraduate and postgraduate programs and degrees. As such, there are 14 public universities in Louisiana including the following: LSU A&M, LSU-A, LSU-S, Southern A&M, SUNO, Grambling, LA Tech, McNeese, Nicholls, Northwestern, Southeastern, UL-L, UL-M, and UNO. To the extent each public university in the state participates, the cost would be \$420,000 (14 institutions x \$30,000 logo placement cost). For illustrative purposes, if all 14 state universities participate the total potential cost would be \$595,000 (\$175,000 format change cost + \$420,000 logo placement cost).

The proposed law will require coding changes to the DPS Driver's Licensing System. Technical modifications will be necessary to expand the driver's license database to store the state university logos, collect fees and disburse university royalties, and modify the Financial and Revenue Classification system. DPS estimates these changes will require 500 hours of overtime for an IT Programmer Analyst III, 800 hours for IT Programmer Analyst II, 100 hours for an IT Management Consultant, 80 hours for an IT Support Specialist, and 60 hours for an IT Programmer Manager II. At \$32 per hour, the overtime expense is estimated at \$49,995 (1,540 hours x \$32 = \$49,280 for salaries; \$49,280 X 1.45% = \$715 for Medicare costs).

Fees generated through the placement of any state university logo on a driver's license shall be disbursed quarterly to state university's foundations. The LFO assumes these disbursements will occur via an interagency transfer expenditure from DPS to state university foundations.

NOTE: The proposed legislation does not specify state universities in Louisiana; therefore it is possible out-of-state, public university logos could be included on driver's licenses. To the extent any private state university or out-of-state university logos are added by the vendor to the system, each logo would cost an additional \$30,000.

REVENUE EXPLANATION

Proposed law instructs DPS to collect an annual fee, determined by each state university, for inclusion of a state university logo on any class of driver's license. The number of individuals that will elect to add the university logo designation to their driver's license is unknown. Proposed legislation is anticipated to result in an indeterminable increase in SGR that will be disbursed quarterly to the foundation of the public university.

Senate	<u>Dual Referral Rules</u>	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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}		