

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1123** HLS 14RS 1483

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|-----------------------------------|---------|-----------------------------------|
| Date: April 10, 2014 | 4:07 PM | Author: ST. GERMAIN |
| Dept./Agy.: Public Safety | | Analyst: Matthew LaBruyere |
| Subject: Registration Fees | | |

MTR VEHICLE/REGISTRATION OR +\$20,000,000 SD RV See Note
Increases the truck registration fee

Proposed law increases the registration fees for trailers or semi-trailers, based on truck weights, as follows: 6,000 lbs or less; 10,001 to 23,999 lbs; 24,000 to 37,999 lbs; 38,000 to 80,000 lbs; and 80,001 to 88,000 lbs.

Proposed law increases the registration fees for the use of trailers or semi-trailers regarding forest products, gravel haul, city use only, and farm trucks, based on following truck weights: 6,000 lbs or less; 6,001 to 10,000 lbs; 10,001 to 23,999 lbs; 24,000 to 43,999 lbs; 44,000 to 65,999 lbs; and 66,000 to 88,000 lbs.

| EXPENDITURES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | SEE BELOW | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | SEE BELOW | \$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 | | \$0 | \$0 | \$0 | \$0 | \$0 |

| 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. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$100,000,000 |
| 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 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$100,000,000 |

EXPENDITURE EXPLANATION

The Department of Public Safety (DPS) indicates the proposed law may require approximately 120 hours of overtime for updating the Vehicle Registration and Financial Accounting systems for truck registration fees at an average cost of \$32 per hour (\$32 x 120 = \$3,840) plus associated Medicare expenses (\$3,840 x 1.45% = \$56), or a total of \$3,896 in personal services. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the Department may require additional resources.

REVENUE EXPLANATION

The proposed legislation will result in an increase in statutory dedicated revenue as a result of increasing fees for truck registration. The statutory dedicated funds are the State Highway Fund #2 and the State Highway Improvement Fund. Truck registrations in the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa and St. Tammany are deposited into the State Highway Fund #2. Total collections based on the current fee structure are approximately \$42.86 M. To the extent the number of registration renewals remain constant, the proposed fee structure will collect approximately \$62.85 M in total. The resulting increase in fees is an additional \$19.99 M collected annually (\$62.85 M proposed - \$42.86 M current). The increase in fees varies by the type of truck and weight of trucks. The changes in the fee structure are detailed on the next page.

There are 4 types of renewals (Class 1 trucks 0-6,000 lbs, Class 1 trucks 6,001-10,000 lbs, Farm trucks 0-6,000 lbs and Farm trucks 6,001-10,000) that are renewed every 4 years. The remaining renewals occur on an annual basis. In addition, the majority of the renewal amounts are determined by a per 100 pound amount.

(CONTINUED ON PAGE 2)

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|--|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input 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 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} |

Gregory V. Albrecht
Chief Economist

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CONTINUED EXPLANATION from page one:

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REVENUE EXPLANATION CONTINUED FROM PAGE ONE:

| Truck Type | Count | Median Wt. | Current Fee | Collection | Proposed Fee | Collection | Increase |
|------------------------------|----------------|------------|---------------|---------------------|---------------|---------------------|---------------------|
| Class 1 (0-6,000 lbs) | 233,903 | | \$40 | \$9,356,120 | \$80 | \$18,712,240 | \$9,356,120 |
| Class 1 (8,001-10,000 lbs) | 126,734 | | \$112 | \$14,194,208 | \$152 | \$19,263,568 | \$5,069,360 |
| Class 1 (10,001-23,999 lbs) | 43,731 | 17,000 | \$0.38/100lbs | \$2,825,023 | \$0.50/100lbs | \$3,717,135 | \$892,112 |
| Class 1 (24,000-37,999 lbs) | 16,348 | 31,000 | \$0.60/100lbs | \$3,040,728 | \$0.72/100lbs | \$3,648,874 | \$608,146 |
| Class 1 (38,000-80,000 lbs) | 31,187 | 59,000 | \$0.63/100lbs | \$11,592,208 | \$0.80/100lbs | \$14,720,264 | \$3,128,056 |
| Class 1 (80,001-88,000 lbs) | 1,750 | 84,000 | \$0.64/100lbs | \$940,800 | \$0.82/100lbs | \$1,205,400 | \$264,600 |
| Forest (0-6,000 lbs) | 1 | | \$10 | \$10 | \$20 | \$20 | \$10 |
| Forest (6,001-10,000 lbs) | 7 | 8,000 | \$0.25/100lbs | \$140 | \$0.50/100lbs | \$280 | \$140 |
| Forest (10,001-23,999 lbs) | 67 | 17,000 | \$0.25/100lbs | \$2,848 | \$0.50/100lbs | \$5,695 | \$2,848 |
| Forest (24,000-43,999 lbs) | 58 | 34,000 | \$0.28/100lbs | \$5,522 | \$0.54/100lbs | \$10,649 | \$5,127 |
| Forest (44,000-65,999 lbs) | 81 | 55,000 | \$0.28/100lbs | \$12,474 | \$0.54/100lbs | \$24,057 | \$11,583 |
| Forest (66,000-88,000 lbs) | 2,053 | 77,000 | \$0.28/100lbs | \$442,627 | \$0.54/100lbs | \$853,637 | \$411,011 |
| Gravel (6,001-10,000 lbs) | 5 | 8,000 | \$0.35/100lbs | \$140 | \$0.65/100lbs | \$260 | \$120 |
| Gravel (10,001-23,999 lbs) | 22 | 17,000 | \$0.35/100lbs | \$1,309 | \$0.65/100lbs | \$2,431 | \$1,122 |
| Gravel (24,000-43,999 lbs) | 63 | 34,000 | \$0.60/100lbs | \$12,852 | \$0.90/100lbs | \$19,278 | \$6,426 |
| Gravel (44,000-65,999 lbs) | 270 | 55,000 | \$0.60/100lbs | \$89,100 | \$0.90/100lbs | \$133,650 | \$44,550 |
| Gravel (66,000-88,000 lbs) | 184 | 77,000 | \$0.60/100lbs | \$85,008 | \$0.90/100lbs | \$127,512 | \$42,504 |
| City Use (6,001-10,000 lbs) | 2 | 8,000 | \$0.25/100lbs | \$40 | \$0.50/100lbs | \$80 | \$40 |
| City Use (10,001-23,999 lbs) | 4 | 17,000 | \$0.25/100lbs | \$170 | \$0.50/100lbs | \$340 | \$170 |
| City Use (24,000-43,999 lbs) | 6 | 34,000 | \$0.30/100lbs | \$612 | \$0.60/100lbs | \$1,224 | \$612 |
| City Use (44,000-65,999 lbs) | 56 | 55,000 | \$0.30/100lbs | \$9,240 | \$0.90/100lbs | \$27,720 | \$18,480 |
| City Use (66,000-88,000 lbs) | 36 | 77,000 | \$0.30/100lbs | \$8,316 | \$0.60/100lbs | \$16,632 | \$8,316 |
| Farm (0-6,000 lbs) | 1,096 | | \$12 | \$13,152 | \$24 | \$26,304 | \$13,152 |
| Farm (6,001-10,000 lbs) | 2,993 | | \$12 | \$35,916 | \$24 | \$71,832 | \$35,916 |
| Farm (10,001-23,999 lbs) | 2,055 | | \$10 | \$20,550 | \$20 | \$41,100 | \$20,550 |
| Farm (24,000-43,999 lbs) | 1,578 | | \$20 | \$31,560 | \$30 | \$47,340 | \$15,780 |
| Farm (44,000-65,999 lbs) | 790 | | \$30 | \$23,700 | \$40 | \$31,600 | \$7,900 |
| Farm (66,000-88,000 lbs) | 3,008 | | \$40 | \$120,320 | \$50 | \$150,400 | \$30,080 |
| Total | 468,088 | | | \$42,864,691 | | \$62,859,522 | \$19,994,830 |

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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