LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1238** HLS 14RS 2391
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 16, 2014 7:38 AM
Author: MORENO
Dept./Agy.: Public Safety
Subject: License Plates
Analyst: Matthew LaBruyere

MTR VEHICLE/LICEN PLATES EN +$42,375 SG RV See Note
Provides for a "For Hire" special license plate

Present law provides that taxi cabs, limousines, horse-drawn carriages, and pedicabs owned or operated by companies licensed by the city of New Orleans shall be issued a special "For Hire" plate.
Proposed law adds general charter tour vehicles, sightseeing tour vehicles, courtesy vehicles, non-emergency medical vehicles, airport shuttles, and accessible taxicabs to present law.
Present law provides for a $50 annual license fee for such license plates.
Proposed law would exempt commercial passenger vehicles from the $50 annual fee and would provide that commercial passenger vehicles pay the statutory license fee provided for other commercial passenger vehicles which is $6.25 per capacity passenger or a minimum of $25 per year.

EXPENDITURES	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.	$4,891	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$4,891**
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	**$4,891**					**$4,891**

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.	$42,375	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$42,375**
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	**$42,375**					**$42,375**

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in SGR expenditures for the Office of Motor Vehicles (OMV). The bill adds passenger vehicles to the list that will require "For Hire" plates to be displayed on the front and back of the vehicle. According to the department, there are approximately 875 vehicles that will now be required to have these plates. The cost to the department to provide 2 plates to each vehicle would be $5.59. This would result in a total cost of $4,891 ($5.59 for 2 plates x 875 vehicles) in FY 15. For each additional vehicle that requires a "For Hire" plate in subsequent fiscal years, OMV's cost will increase by the number of plates required.

The Department of Public Safety (DPS) indicates the proposed law may require approximately 200 hours of overtime for the Vehicle Registration and Financial Accounting system at an average cost of $32 per hour ($32 x 200 = $6,400) plus associated Medicare expenses ($6,400 x 1.45% = $93), or a total of $6,493 in personal services. The legislation will require modifications to OMV transactions, batch programs, Expresslane, and license plate renewal programs. 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 SGR revenue for the Office of Motor Vehicles. The bill adds passenger vehicles to the list that will require "For Hire" plates to be displayed on the front and back of the vehicle. According to the department, there are approximately 875 vehicles that will now be required to have these plates. The adminsitrative fee for each vehicle is $3.50 per plate ($7.00). The total amount collected by OMV in FY 15 would be $6,125 ($7.00 for 2 plates x 875 vehicles). For each additional vehicle that requires a "For Hire" plate in subsequent fiscal years, OMV's collections will increase by the number of plates required.

In addition, the vehicles will need to pay a registration fee of $50. Charter buses would not have to pay the fee as the fee for buses is in another statute in current law. There are approximately 150 charter buses registered, so there would be 725 vehicles that would need to register. OMV would collect $36,250 (725 vehicles x $50 registration fee) in registration fees in FY 15.

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}
☐ 6.8(F)(2) >= $500,000 State Rev. Reduc. {H & S}
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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