

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 329** HLS 16RS 679

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 28, 2016 6:21 PM	Author: MARCELLE
Dept./Agy.: Public Safety/Office of Motor Vehicles	Analyst: Zachary Rau
Subject: Public Tag Agent License Plate Fee Remittances	

MOTOR VEHICLES

OR SEE FISC NOTE SG RV

Page 1 of 2

Provides relative to entities authorized to provide services relative to motor vehicles

Present law authorizes public license tag agents to issue registration certificates and license plates to owners of motor vehicles. Proposed law requires that public tags agents must buy license plates in increments no less than ten and remit the cost of production of the license plates prior to receiving the license plates. Proposed law requires public license tag agents to submit all required documents to the Dept. of Public Safety & Corrections, Office of Motor Vehicles, in the method or form required by the department.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

The Department of Public Safety indicates the proposed law may require approximately 200 hours of overtime for the Office of Technology Services (OTS) billable at an average cost of \$32 per hour (\$32/hour * 200 hours = \$6,400) plus associated Medicare expenses (\$6,400 * 1.45% = \$93), or a total of \$6,493 in personal services. The legislation will require programming and database modifications performed by IT Applications Analysts to allow for charging public license tag agents for license plates up front via the legacy license plate inventory system. 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

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation requires public license tag agents (PTAs) to purchase license plates in increments of ten, as well as remit the costs of production for the plates prior to receiving them. DPS states that it is already required to collect the cost of the license plate after a sale is made pursuant to LA R.S. 47:480. DPS further reports the proposed law would result in PTAs remitting the fee collected to defray the cost of the license plate after a sale, in addition to paying the initial cost of the license plate, essentially creating a double fee collection based on DPS' interpretation of the proposed legislation. However, based upon the Legislative Fiscal Office's interpretation of the proposed legislation and LA R.S. 47:480, there will be no revenue impact as a result of this bill other than altering timelines for which revenues associated with license plate sales will be collected by the department. The proposed legislation will require PTAs to pay the cost of the license plates prior to receiving the plates rather than after the plate is manufactured. LA R.S. 47:480 currently does provide for when license plate fees may be collected by OMV from PTAs, therefore this fee may only be collected once since a timeline for remittances is not outlined in present law. (Revenue Explanation Continued on Pg. 2)

Senate Dual Referral Rules House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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} |

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

Page 2 of 2

(Revenue Explanation Continued from Pg. 1) For reference, based upon DPS' interpretation of the bill, the department estimates that approximately 80% of the license plate inventory is sold by PTAs. In FY 15, DPS budgeted for 751,022 regular plates with a fee of \$1.81 per plate and 24,500 specialty license plates with a fee of \$3.50 per plate. Estimated collections in FY 15 for regular license plates totaled approximately \$1.09 M (751,022 regular plates * 80% * \$1.81/plate) and an estimated total collection of approximately \$68,600 (24,500 specialty plates * 80% * \$3.50/plate) for specialty plates, providing total collections of approximately \$1.16 M statewide. By collecting these fees twice per DPS' interpretation of the bill, the department would realize an increase of revenues of \$1.16 M, from \$1.16 M to approximately \$2.32 M.

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

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

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

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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