

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 801** HLS 16RS 1235

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 4, 2016	11:36 AM	Author: BROADWATER
Dept./Agy.: All Agencies		Analyst: Deborah Vivien
Subject: Requires denial or suspension of permits, licenses for debt		

REVENUE DEPARTMENT

OR SEE FISC NOTE GF RV

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Authorizes the office of debt recovery to suspend or deny certain licenses under certain circumstances

Current law allows the suspension or denial of applications or renewals of permits, licenses or certificates if a debt is outstanding to the state at the discretion of the issuing agency of the state. This includes all trade, occupational or professional licenses, except legal licenses.

Proposed law mandates that the agency deny or suspend any license, permit or certificate of a debtor of the state in accordance with rules promulgated by the Secretary of the Department of Revenue.

Effective upon governor's signature.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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 authority is already in place for denials and suspensions to occur, though all agencies, boards, etc., may not be opting to deny or suspend activity. It is expected that the procedures as promulgated by LDR rule will minimize any expense to the agencies and boards while maintaining the effectiveness of the denials and suspensions. However, it would seem that each agency would require the capability to do instantaneous clearances for walk-in services, such as driver's license renewals, or require a waiting period. Resources may be required to achieve desired results. In addition to potential IT adjustments, other agencies may be required to hold hearings, convene Boards, hire legal assistance, etc., to effectuate denials and suspensions, which may be complicated further if applied to non-final debt. The magnitude of the statewide cost increase is not known since an exhaustive polling of all impacted entities has not been conducted.

REVENUE EXPLANATION

The bill mandates the denial and suspension of licenses, permits and certificates issued by the state through various entities, instead of the permissive authority under current law. Grounds for denial are presumably established by any debt owed to the state past 60 days (referred to the Office of Debt Recovery), regardless of final or non-final status. To the extent that new denials or suspensions of licenses, permits and certificates for those with any debt obligations to the state will induce payment in amounts greater than under current law, revenue will increase for the means of finance under which the debt is collected. However, the mandatory suspension/denial action could also work to decrease or delay collections as those dependent upon these documents for continuation of employment, such as drivers licenses, occupational licenses, etc., may be hampered in producing income.

For state agencies or agents imposing re-instatement fees after a suspension or an additional application fee after denial, self-generated revenue will increase to the extent that the license, permit or document is re-issued after debt restitution.

Senate Dual Referral Rules House

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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