



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 84** SLS 22RS 342
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 22, 2022 6:48 AM **Author:** CORTEZ
Dept./Agy.: Public Safety, Office of Motor Vehicles
Subject: Creates the Maddie's Footprints Special Prestige License **Analyst:** Patrice Thomas

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 Creates the "Maddie's Footprints" special prestige license plate. (8/1/22)

Proposed law requires the Department of Public Safety and Corrections, Public Safety Services (DPS), Office of Motor Vehicles (OMV) to create the Maddie's Footprints special prestige license plate, license plate, provided there is a minimum of 1,000 applicants for such plate. Proposed law restricts the specialty license plate to passenger cars, pickup trucks, recreational vehicles, motorcycles, and vans. Proposed law provides that DPS shall design the plate in conjunction with the executive director of Maddie's Footprint nonprofit and the plate shall include the words "Maddie's Footprints". Proposed law directs DPS to collect a \$25 annual royalty fee and forward the fee to the Maddie's Footprint nonprofit. Proposed law authorizes DPS to collect a \$3.50 handling fee for each plate to be retained by DPS to offset a portion of administrative costs. Proposed law effective 8/01/2022.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	\$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		\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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 law will result in an indeterminable, but likely marginal, increase in state expenditures for supplies associated with the manufacture of license plates. The total expenditures in the first year are approximately \$84,860, assuming 1,000 plates are manufactured and sold.

The proposed legislation will require \$3,700 in supply purchases to manufacture 1,000 "Maddie's Footprints" plates at a cost of \$3.70 per plate ($\$3.70 \times 1,000 = \$3,700$). Each additional license plate would result in an expenditure increase of \$3.70. Because the cost of manufacturing a plate exceeds the administrative fee allowed to the department, each plate manufactured would result in a \$0.20 impact that would be absorbed within the department's existing budget authority or may require SGF support if the existing budget is insufficient.

The Department of Public Safety also indicates the proposed law may require approximately 1,000 hours of overtime for coding changes to the Vehicle Registration Platform system at an average cost of \$80 per hour ($\$80 \times 1,000 = \$80,000$) plus associated Medicare expenses ($\$80,000 \times 1.45\% = \$1,160$), or a total of \$81,160 in personal services. The legislation will require programming and database modifications performed by IT Management Consultant 1 position to support the new license plate. 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

Proposed law may generate \$3,500 in self-generated revenue for the Office of Motor Vehicles for every 1,000 "Maddie's Footprints" plates that are issued. Proposed law authorizes OMV to charge a \$3.50 handling fee per license plate sold to offset a portion of administrative costs ($\$3.50 \times 1,000 \text{ plates} = \$3,500$). Proposed law may also generate \$50,000 in royalty fees at \$25 annually per plate for every 1,000 plates issued (collected every two years upon renewal). Royalties collected are deposited into an escrow account and then would be forwarded to the Maddie's Footprint nonprofit organization.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>Dual Referral Rules</u></p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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Evan Brasseaux
 Interim Deputy Fiscal Officer