

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 607** HLS 17RS 82
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 30, 2017 9:08 AM	Author: JORDAN
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehciles	Analyst: Zachary Rau
Subject: Add Barcode to Inspection Sticker	

MOTOR VEHICLES OR INCREASE GF EX See Note Page 1 of 1
 Creates insurance bar code to be displayed on a vehicle's inspection sticker

Proposed law requires insurance companies to add a bar code to insurance cards that will also appear on electronic copies of the cards which may also be displayed on a mobile electronic device. Present law provides that no action taken by any person regarding licenses, registration, or inspection certificates which indicates compliance with present law shall create a presumption of insurance coverage. Proposed law adds bar codes on inspection stickers to the presumption in present law. Proposed law adds bar codes on inspection stickers linked to insurance information as a document pursuant to present law that can act as proof of compliance relative to compulsory motor vehicle insurance. Proposed law requires persons operating inspection sticker stations to verify active motor vehicle insurance prior to issuing an inspection sticker. Proposed law requires the addition of a bar code to the motor vehicle inspection sticker and that the bar code shall link to the owner of the vehicle's motor vehicle insurance coverage.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	SEE BELOW					
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$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	\$0

EXPENDITURE EXPLANATION

Proposed law will likely increase SGR and/or SGF expenditures for the Dept. of Public Safety (DPS), Office of Motor Vehicles (OMV) by an indeterminable but likely significant amount. The proposed law requires motor vehicle inspection stickers to include a barcode that is linked to proof of insurance for that particular vehicle.

The Legislative Fiscal Office did not receive a formal fiscal note response from OMV, but spoke with OMV staff verbally and identified the following parameters of the proposed law. The proposed law appears to interconnect insurance providers, OMV's computer system, and motor vehicle inspection stations. Proposed law contemplates the addition of a barcode to an inspection sticker, which may carry an additional cost. However, OMV's interpretation of proposed law is that the barcode would be provided by the insurance company upon activation of a policy, which may mitigate potential expenditures associated with updating the inspection sticker.

The LFO also assumes that DPS would likely incur additional, significant costs for the purchase of hardware and software associated with technology to scan and display the information associated with the bar code for law enforcement. In addition, to the extent local governing authorities wish to make use of the barcodes, they may also incur a cost to purchase hardware to scan and display the information associated with the aforementioned barcode.

Furthermore, it appears motor vehicle inspection stations would require hardware and software linked to OMV's computer system to verify that a policy is active upon inspection of a vehicle. This provision of proposed law appears to have significant cost potential. It is unclear if the hardware and software to verify insurance policies would have to be provided by OMV, but to the extent it does, OMV would likely incur significant expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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