



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **HB 345** HLS 24RS 434  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 5, 2024	6:08 PM	<b>Author:</b> BOYD
<b>Dept./Agy.:</b> Department of Public Safety, Office of Motor Vehicles		
<b>Subject:</b> License Plates on Front of Vehicles		<b>Analyst:</b> John McKay

MTR VEHICLE/LICEN PLATES OR +\$2,156,751 SG EX See Note Page 1 of 1  
 Requires a license plate on the front of a motor vehicle for identification purposes

Proposed law defines "permanent registration license plate" to include front and rear display of plates. Present law requires every permanent registration license plate to be securely fastened to the vehicle to which it is assigned and to be clearly visible and legible. Proposed law retains present law and adds a requirement that every permanent registration license plate be displayed on both the front and rear of the vehicle. Proposed law directs the Dept. of Public Safety and Corrections, office of motor vehicles, to promulgate administrative rules and regulations to implement the provisions of this Act. Proposed law directs the LA State Law Institute to alphabetize and renumber the definitions in present law (R.S. 32:1) as amended by the provisions of this Act.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$2,156,751	\$2,156,751	\$2,156,751	\$2,156,751	\$2,156,751	\$10,783,755
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	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$2,156,751</b>	<b>\$2,156,751</b>	<b>\$2,156,751</b>	<b>\$2,156,751</b>	<b>\$2,156,751</b>	<b>\$10,783,755</b>
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will result in an annual increase of approximately \$2.1 M SGF in expenditures within the Department of Public Safety (DPS), Office of Motor Vehicle (OMV) associated with issuing additional license plates.

The expenditure for the issuance of an additional license plate will depend upon the number of registrations that come due each year. DPS reports the average number of plates issued each fiscal year is 758,851. Proposed law is estimated to double the number of plates issued to approximately 1.5 M annually, for an annual increase of 758,851 additional plates. The anticipated costs in fiscal years beyond FY 25 are detailed below:

\$1,553,634	Manufacturing (717,114 standard plates x \$1.95 = \$1,398,373; 41,737 personalized plates x \$3.72 = \$155,261)
\$318,717	Expiration Decal (758,851 anticipated annual registration renewals x \$0.42 = \$318,717)
<u>\$284,400</u>	Inventory Cost (79 Field Offices x \$300 rental expense x 12 Months = \$284,400)
<b>\$2,156,751</b>	<b>Total Increase</b>

Note: The bill is silent on the effective date. Therefore, this note assumes that the provisions in the bill are prospective and not retroactive. To the extent that the bill is applied retroactively, then existing registered vehicles will need to receive an additional license plate. OMV reports that if applied retroactively, then each existing registered vehicle will need to be issued two new plates. The LFO is working with OMV to determine why two new plates must be issued for existing registered vehicles as opposed to only one. To the extent only one additional plate needs to be issued instead of two, FY 25 SGF expenses will increase by an additional \$13 M. To the extent two additional plates need to be issued for existing registered vehicles, FY 25 SGF expenses will increase by an additional \$28.8 M. See calculations below:


\$17,503,116	Manufacturing (8,081,234 standard plates x \$1.95 = \$15,758,406; 469,008 personalized plates x \$3.72 = \$1,744,710)
\$3,591,102	Expiration Decal (4,275,121 registered vehicles x \$0.42 x 2 license plates = \$3,591,102)
\$5,472,155	Postage (4,275,121 registered vehicles x \$1.28 = \$5,472,155)
\$1,900,000	Additional allocation needed to accommodate the ordering of dual license plates each fiscal year.
<u>\$284,400</u>	Inventory Cost (79 Field Offices x \$300 rental expense x 12 Months = \$284,400)
<b>\$28,750,773</b>	<b>FY 25 Total Increase (\$5 M in subsequent fiscal years)</b>

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law does not contemplate OMV collecting additional fees for issuing and/or registering a second license plate.

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}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**