



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 580** HLS 25RS 34
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: May 29, 2025	6:59 PM	Author: ILLG
Dept./Agy.: DPS, Motor Vehicles		
Subject: Print-on-demand temporary license plates		Analyst: John McKay

PUBLIC SFTY/CORRECTIONS RE1 INCREASE SG RV See Note Page 1 of 2

Increase the penalties for operating a vehicle with fictitious plates and provides for specifications for temporary registration plates issued by dealers and the display of temporary registrations plates issued by dealers

Proposed measure updates and expands current law regarding temporary registration plates. Proposed legislation provides for a print-on-demand system using paper or cardstock approved by the commissioner, increasing the application fee from \$4 for each set to \$20 per plate and requiring online applications. Proposed measure provides for the commissioner to issue a cease and desist order to any dealer if the commissioner finds his directions are not being complied with by the dealer. Proposed legislation requires the commissioner to notify the applicable licensing commission when issuing a cease and desist order. Proposed measure establishes criminal penalties ranging from \$100 to \$500, or imprisonment for up to six months, or both, as well as civil penalties ranging from \$200 to \$500 for the misuse of temporary registration plates. Proposed legislation establishes a penalty of \$250, imprisonment for up to 30 days, or both for anyone who displays, sells, offers for sale, distributes, or possesses any registration certificate or license plate, including temporary plates, knowing it to be fictitious, canceled, revoked, suspended, or altered.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$8,096,000	\$8,096,000	\$8,096,000	\$8,096,000	\$8,096,000	\$40,480,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed measure will create a minimal one-time SGF expenditure of \$7,710, in FY 26, to the Office of Motor Vehicles (OMV) associated with software updates and testing. The Department of Public Safety (DPS) estimates the proposed measure will require a one-time SGF expenditure of \$7,710 to implement coding updates necessary to collect the \$20 fee for each temporary registration plate. The Office of Technology Services (OTS) would perform this work at an estimated 80 hours of work by a Senior Application Developer (80 hours x \$95 per hour = \$7,600 x 1.45% Medicare tax = \$110.20; a total of \$7,710). LFO believes that the department can absorb this amount within its current budget but may require additional resources if the aggregate impact of all bills enacted during this session is substantive.

Additionally, updating to a print-on-demand temporary license process will require OTS to develop a new system. Since the implementation approach has not yet been determined, the associated costs is speculative at this time.

Proposed law has the effect of creating new violations and expanding the circumstances under which violations of current law can occur. The exact fiscal impact of the passage of this measure to local governing authorities is indeterminable, since it is not known how many people will be convicted, nor the length of the sentences assessed as a result of its potential enactment.

REVENUE EXPLANATION

Proposed measure will increase SGR revenues for the Department of Public Safety, Office of Motor Vehicles (OMV) by an estimated \$8.1 M from increasing the application fee from \$4 to \$20 for temporary registration plates. In FY 24, OMV sold an estimated 506,000 temporary registration plates, resulting in total collections of approximately \$2 M.


The estimated \$8.1 M annual increase for OMV is calculated as follows:

Proposed Law (506,000 temporary registration plates x \$20 fee	= \$10.1 M)
Current Law (506,000 temporary registration plates x \$4 fee	= <u>\$2.0 M)</u>
	\$8.1 M Increase

Additionally, proposed legislation may increase SGR to the extent an individual knowingly displays, possesses, or uses a fictitious, canceled, revoked, suspended, or altered temporary registration license plate, or encourages another individual to do so. Individuals may face criminal penalties of up to a \$500 fine, six months in jail, or both. Additionally, civil penalties ranging from \$200 to \$500 may be imposed by the commissioner on individuals or entities, including licensed dealers, who violate the provisions of the proposed measure.

CONTINUED ON PAGE TWO

Senate	Dual Referral Rules	House
<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 checked="" 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}


Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2

CONTINUED REVENUE EXPLANATION FROM PAGE ONE

The table below outlines the violations and corresponding penalties of the proposed legislation.

Authority	Penalty Class	Penalty
Law Enforcement	Criminal	\$100-\$500 or imprisonment for up to 6 months, or both
Commissioner of OMV	Civil	\$200-\$500
Law Enforcement	Criminal (expands current law)	\$250 or imprisonment for not more than 30 days, or both

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<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 checked="" 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}	Patrice Thomas Deputy Fiscal Officer