



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 874** HLS 26RS 1175
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 19, 2026	6:32 PM	Author: MURRAY
Dept./Agy.: Division of Administration/Statewide		Analyst: Kimberly Fruge
Subject: Digitized Credentials		

TRANSPORTATION DEPT RE1 SEE FISC NOTE GF EX Page 1 of 1
 Provides with respect to electronic credentials

Proposed law allows, but does not require, the Commissioner of Administration to coordinate with the Louisiana State Bar Association, the Louisiana High School Athletic Association, public and private universities and colleges in Louisiana, and the Office of Motor Vehicles for the inclusion of digitized credentials.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may result in a significant, but indeterminable, increase in SGF expenditures for the Office of Technology Services (OTS) and public universities to provide digitized credentials. Proposed law allows, but does not require, the Commissioner of Administration to coordinate with certain state and non-state entities to implement the availability of digitized credentials, but does not require any entity to provide digitized credentials. To the extent an entity chooses to provide digitized credentials, there will likely be a significant impact on expenditures to that entity. The exact fiscal impact is indeterminable as the bill requires coordination for the integration of multiple systems, which would require a system-by-system analysis to assess the level of effort necessary for each entity. The specific technical requirements and costs for integration will depend on the architecture, data structure, and accessibility of each system.

Based on prior experience, OTS reports that integration costs can vary significantly. Systems with existing interfaces may require limited development, while others may require the development of new interfaces, data standardization, and coordination with third-party vendors. OTS will be able to absorb any coordination costs associated with integrating these systems. To the extent that OTS will be responsible for updating the contract with the third-party vendor to allow these entities access, there may be a significant increase in expenditures, which OTS would charge to the entity.

For informational purposes, the state currently has a contract with a third-party application developer for LA Wallet to deliver electronic credentials for official identification cards and vehicle registration issued by the Office of Motor Vehicle; hunting and fishing licenses issued by the Department of Wildlife and Fisheries; vaccine cards and Medicaid health card plans by the Department of Health; and concealed handgun permits by the Office of State Police. The contract allows the vendor to access the electronic record for display through its electronic wallet, but the vendor collects revenues directly from interested users to pay its costs. The LFO assumes that similar arrangements or contracts would be made for future digitized credentials. OTS reports that the initial contract for adding COVID vaccination status to LA Wallet was approximately \$2.3 M, and adding Medicaid cards was approximately \$2.5 M initially with \$1.3 M annually for maintenance.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in Self-Generated Revenue if OTS is responsible for updating the contract with the third-party vendor to allow the entities in the proposed law to add digitized credentials to the existing system. OTS will charge each respective entity for the increased costs related to their system. The exact fiscal impact is indeterminable, as it is unknown how many entities will opt to use digitized credentials.

Senate
 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