

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 499** HLS 15RS 701

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 21, 2015	8:11 AM	Author: HILL
Dept./Agy.: Motor Vehicles		Analyst: Matthew LaBruyere
Subject: Driver's Licenses for Released Offenders		

TRANSPORTATION OR -\$1,994,937 SG RV See Note Page 1 of 2
Provides relative to state identification for certain offenders upon release from a correctional facility

Proposed law requires the Dept. of Public Safety and Corrections, public safety services, to issue a provisional Class "E" driver's license to a person who is released from incarceration after serving a minimum of one year and whose Class "E" driver's license will be or is suspended, revoked, or cancelled for any reason upon his release. Proposed law provides that the license issued pursuant to proposed law shall be valid for one year from the date of issuance. Proposed law prohibits any person whose Class "E" driver's license has been suspended, revoked, or cancelled pursuant to the receipt of conduct reported pursuant to Article III of the Driver License Compact or to a person who was imprisoned for vehicular homicide, a third or subsequent violation of operating a vehicle while intoxicated, operating a vehicle while under suspension for certain prior offenses. Proposed law provides that the holder of a provisional license issued pursuant to proposed law shall have one year from the date of issuance of the provisional license to clear his driving record and may be eligible for a regular Class "E" driver's license. Proposed law authorizes the department to revoke the provisional license under certain conditions.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$1,994,937)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)	(\$9,454,433)
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	(\$1,994,937)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)	(\$9,454,433)

EXPENDITURE EXPLANATION

The proposed legislation may potentially result in an increase in state general fund expenditures as a result of issuing driver's licenses to persons who were released from incarceration after serving at least one year. Fees collected by the Office of Motor Vehicles are used to fund services within the Department of Public Safety. To the extent fee collections decrease, additional resources may be needed by the department. Additional resources may be State General Fund or statutory dedicated funds such as Riverboat Gaming Enforcement Fund and Transportation Trust Fund.

The Department of Public Safety indicates the proposed law may require approximately 160 hours of overtime for the Office of Technology Services at an average cost of \$32 per hour (\$32 x 160 = \$5,120) plus associated Medicare expenses (\$5,120 x 1.45% = \$74), or a total of \$5,194 in personal services. The legislation will require modifications to the driver's licensing database to allow for the issuance of a provisional Class "E" license. The LFO 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

The proposed legislation will result in a decrease in self-generated revenue collections as a result of issuing driver's licenses to persons who were released from incarceration after serving at least one year. The fiscal impact is indeterminable since the number of released offenders that would have fees waived and purchase a provisional and subsequent license is unknown. In addition, the exact amount of fees certain released offenders accumulated is unknown. The revenue decrease is a result of waiving Department of Public Safety, Office of Motor Vehicles fees and charges incurred prior to or during the term of incarceration, such as the reinstatement fee. According to DPS, the average to reinstatement cost is approximately \$500.

Based on information DPS received from the Department of Corrections, there are approximately 17,000 offenders released annually. DPS estimates that approximately 25% of the 2.9 M licensed drivers in the state have license suspensions and revocations. To the extent this percentage applies to offenders released from incarceration, approximately 4,250 (17,000 released offenders x 25%) released offenders would have a fee or charge waived. This would result in DPS not collecting \$2,125,000 (4,250 released offenders x \$500 average reinstatement cost) in fees annually. NOTE: The total decrease in revenue collections is dependent on the number of offenders released and the total penalty amounts that are waived.

The \$2.1 M decrease in revenue will be minimally offset by released offenders paying the **(CONTINUED ON PAGE 2)**

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|---|--|-------------------------------------|---|
| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input checked="" type="checkbox"/> | 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input 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} |

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Staff Director

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CONTINUED EXPLANATION from page one:
(CONTINUED REVENUE EXPENDITURE FROM PAGE 1)

standard fee and handling charge for a license. The Class "E" license will cost \$20.25 plus a \$12 handling fee for a total of \$32.25. To the extent the assumed 4,250 released offenders that have a suspended license are issued a Class "E" provisional license, the department will collect \$130,063 (4,250 released offenders x \$32.25 driver's license cost). This would result in an FY 16 net revenue decrease of \$1,994,937. In FY 17 and subsequent fiscal years a smaller decrease would occur as a result of the provisional license expiring and those provisional license holders qualifying for the full Class "E" privileges at the same cost of \$32.25. See table below for calculations.

Collections	FY 16	FY 17	FY 18	FY 19	FY 20
Fees Waived	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)
Provisional	\$130,063	\$130,063	\$130,063	\$130,063	\$130,063
Full Privileges	\$0	\$130,063	\$130,063	\$130,063	\$130,063
Total	(\$1,994,937)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)	(\$1,864,874)

It is also unknown how many released offenders pay reinstatement costs to receive a driver's license. To the extent the number that pay reinstatement costs is lower than projected above, the decreased revenue may be less than anticipated.

NOTE: The figures mentioned above are based solely on the reinstatement fee and does not take into account any additional penalties that may be waived as a result of the proposed law. In addition, the exact number of released offenders that would receive a provisional license and qualify for a full Class "E" license is indeterminable.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input checked="" type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input 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} |

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