

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 248** HLS 15RS 266
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---------------------------------------|---------|-----------------------------------|
| Date: May 26, 2015 | 3:35 PM | Author: LAMBERT |
| Dept./Agy.: Motor Vehicles | | Analyst: Matthew LaBruyere |
| Subject: Neighborhood Vehicles | | |

MOTOR VEHICLES RE1 INCREASE SG RV See Note Page 1 of 1
 Authorizes the use of "neighborhood vehicles" on certain roads

Proposed law requires registration of a golf cart with the office of motor vehicles (OMV) as an off-road vehicle and requires display of a decal issued by the OMV. Proposed law requires certain minimum safety equipment on golf carts operating on parish or municipal roads such as efficient brakes, a reliable steering apparatus, safe tires, a rearview mirror, red reflectorized warning devices in both the front and rear of the vehicle, and headlamps, front and rear signals, tail lamps and brake lamps. Proposed law prohibits the operation of golf carts on public roads, except as follows: 1) the operation of golf carts on parish and municipal roads if designated by a parish or municipal government & 2) golf carts used to state highways where there is a golf course constructed on both sides of the public road if DOTD issued a permit for the crossing. Proposed law restricts operation to a person with a valid driver's license and requires appropriate liability insurance. Proposed law defines a "golf cart" as an electric four-wheeled vehicle originally intended for use off-road on golf courses and other green spaces whose maximum speed is 25 mph. Proposed law creates an exemption for ordinances enacted prior to Jan. 1, 2015.

| EXPENDITURES | 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. | 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 | 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. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | | | | | | |

EXPENDITURE EXPLANATION

The proposed legislation will result in an indeterminable increase in self-generated revenue expenditures for supplies associated with registering golf carts. The proposed legislation notes that a decal will be issued by the Office of Motor Vehicles (OMV) upon registration of the golf cart. OMV has indicated the cost for each decal is \$0.07. Since the exact number of golf carts that will register is unknown, the number of decals that will be purchased by OMV is indeterminable.

The Department of Public Safety indicates the proposed law may require approximately 100 hours of overtime for the Office of Technology Services at an average cost of \$32 per hour (\$32 x 100 = \$3,200) plus associated Medicare expenses (\$3,200 x 1.45% = \$46), or a total of \$3,246 in personal services. The legislation will require changes to the Vehicle Registration System and programming changes to report insurance policy information to the Drivers Management System. The Legislative Fiscal Office 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.

The proposed legislation may result in an increase in local fund expenditures as a result posting signage on parish roads or municipal streets to indicate that a golf cart may be operated on that designated road or street. The exact cost is indeterminable since it is unknown what the signage would cost for each parish or municipality and how many roads would be designated for golf cart use.

REVENUE EXPLANATION

The proposed legislation will result in an increase in self-generated revenue as a result of golf carts registering with the Office of Motor Vehicles. The exact increase is indeterminable since it is unknown how many golf carts will register with OMV and how many golf carts exist in the state. For each golf cart that is registered, the Office of Motor Vehicles would collect \$36.50 (\$10 registration fee + \$18.50 title fee + \$8 handling fee) every four years. To the extent an owner of a golf cart has already paid a title and handling fee, the cost of registration would be \$10.

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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 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} |

Evan Brasseaux
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