

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 481** HLS 16RS 859

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **W/ SEN FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

| | |
|--|-----------------------------|
| Date: May 31, 2016 7:57 AM | Author: JAMES |
| Dept./Agy.: Public Safety Services/Office of Motor Vehicles | Analyst: Zachary Rau |
| Subject: Electronic Delivery of Driver's Licenses and IDs | |

MTR VEHICLE/DRIVER LIC REF SEE FISC NOTE SG EX See Note
Provides relative to the issuance and possession of drivers' licenses

Present law requires persons licensed to drive motor vehicles in LA to have a license in their immediate possession at all times when driving a motor vehicle. Proposed law authorizes a licensee to have an electronic copy of their license provided by the Dept. of Public Safety & Corrections, Office of Motor Vehicles as an alternative to a physical license. Proposed law outlines requirements for what constitutes a digitized driver's license. Proposed law allows persons to use the digitized license in lieu of a physical license when stopped by law enforcement. Proposed law provides that display of the digitized license shall not serve as consent to search the mobile device. Proposed law requires the department to indicate the new expiration date of a license when it is renewed by mail or electronic commerce. Proposed law allows OMV to charge a fee of up to \$6 for use of the electronic credential application.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

| REVENUES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 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 | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

Staff at the Office of Motor Vehicles indicate that the current driver's license vendor, Morphotrust, currently has an application developed to deliver an electronic credential. Proposed law allows OMV to charge a fee of up to \$6 per person to use the electronic credential application. OMV reports that utilizing the application in Louisiana will be optional, and the department intends to promulgate rules through the authority granted them in proposed law to assess a fee between \$3 and \$5 upon renewal of licenses for persons wishing to utilize the application. Revenues generated from the fee to use the application will then be forwarded to the vendor to defray costs associated with Louisiana citizens utilizing the application.

REVENUE EXPLANATION

The Office of Motor Vehicles (OMV) reports an intent to promulgate rules assessing a fee between \$3 and \$5 for use of the electronic credential application provided by the current vendor, Morphotrust. The proposed legislation allows OMV to charge a fee of up to \$6 for use of the electronic credential application. Revenues generated from this fee will be forwarded to the vendor to defray any costs associated with Louisiana citizens utilizing the application. To the extent OMV promulgates rules regarding a fee for use of the application, the department may generate a significant increase in revenues that would then be forwarded to the driver's license vendor. Because the number of persons who will utilize the application is unknown, the amount of revenue generated from this source and then forwarded to the vendor is indeterminable, though potentially significant.

Senate Dual Referral Rules House

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|---|--|
| <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 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

Evan Brasseaux
Staff Director