

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 572 HLS 16RS 1171

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: June 8, 2016 3:21 PM, Author: SMITH, P. Row 2: Dept./Agy.: Public Safety/Higher Education, Analyst: Zachary Rau. Subject: Increases Royalty Fees for Prestige License Plates

MTR VEHICLE/LICEN PLATES EN INCREASE SD RV See Note Page 1 of 1
Provides relative to the special college and university license plates

Proposed law amends present law providing for prestige license plates of public institutions of higher education, increasing the current annual royalty fee by \$25, from \$26 to \$51. Proposed law provides that higher education institutions notify applicants that royalty fees derived from prestige license plates be deemed a charitable donation. Proposed law strikes references to "royalty fees" associated with the plates and refers to them only as "fees." Proposed law provides that the Office of Motor Vehicles shall provide personalized college license plates at no additional cost in the event the agency has the capability to do so.

Table with 7 columns: EXPENDITURES, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION
The Dept. of Public Safety & Corrections (DPS) anticipates a \$13,189 increase in expenditures associated with updating the Office of Motor Vehicles' (OMV) license plate system to update fees associated with prestige license plates for higher education institutions. The Office of Technology Services would perform this work with an estimate of approximately 200 man-hours needed to complete it. The Legislative Fiscal Office believes that any additional IT work associated with this legislation can potentially be accomplished utilizing existing resources. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources.

Furthermore, OMV reports no fiscal impact associated with the provision stating the agency must issue personalized college license plates at no additional cost in the event the OMV license plate system is re-engineered to produce them. OMV presently does not have a timeline or plans to update the OMV license plate system.

Proposed law will also increase expenditures for higher education institutions statewide by an indeterminable amount. Institutions of higher education must notify persons holding the prestige plates that the royalty fee paid biennially to DPS is a charitable donation. As a result, institutions of higher education may realize increased expenditures associated with mailing certification letters to higher education prestige license plate holders.

REVENUE EXPLANATION
Proposed law increases the annual royalty fee for higher education prestige license plates by \$25, from \$26 to \$51 annually. Royalty fees are collected every two years, upon renewal of each plate, and transferred to higher education institutions to fund academic and need-based scholarships. DPS receives \$1 of each license plate fee collected. Currently there are 34,763 higher education prestige plates active in LA. To the extent motorists renew all active plates, royalty payments to higher education institutions statewide will increase approximately \$869,075 (34,763 plates * \$25), from \$869,075 to approximately \$1.74 M annually.