

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 31** HLS 182ES 79
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 29, 2018 9:10 AM **Author:** CARTER, G.
Dept./Agy.: DOTD **Analyst:** Alan M. Boxberger
Subject: Repeals termination date of the New Orleans Ferry Fund

FUNDS/FUNDING OR SEE FISC NOTE SD RV Page 1 of 2

Repeals the termination date on the New Orleans Ferry Fund and dedicates a portion of the truck and trailer fees collected in Jefferson Parish into the Jefferson Parish Maintenance and Improvement Fund (Item #10)

Present law dedicates a portion of the motor vehicle license tax on trucks and trailers collected in Orleans Parish to the New Orleans Ferry Fund and sunsets the fund on June 30, 2018. Present law dedicates 50% of all motor vehicle license taxes collected in Orleans, Jefferson, St. Charles, St. John the Baptist, Tangipahoa and St. Tammany parishes to the State Highway Fund No. 2 for the Greater New Orleans Expressway Commission and the remaining 50% to the Transportation Trust Fund - Regular.

Proposed law repeals sunset of the New Orleans Ferry Fund. Proposed law creates the Jefferson Parish Maintenance and Improvement Fund (JPMIF) and provides that 15% of monies derived from the collection of fees and taxes collected pursuant to R.S. 47:462, and as provided in 47:481, within Jefferson Parish shall be deposited into newly created JPMIF, with the balance deposited into the Transportation Trust Fund - Regular as under present law. Proposed law provides that monies in the JPMIF shall be appropriated to the governing authority of Jefferson Parish and be used exclusively for maintenance and improvement for state highways and non-federal routes in Jefferson Parish.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
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	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
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

Proposed law repeals sunset of the New Orleans Ferry Fund, which would revise the flow of approximately **\$1.2 M annually derived from the collection of registration and license fees and taxes collected by the state pursuant to R.S. 47:462, and as provided in R.S. 47:481, in the parish of Orleans from the Statutory Dedication - Transportation Trust Fund Regular into the Statutory Dedication - New Orleans Ferry Fund.** Monies in the New Orleans Ferry Fund are used exclusively to fund operations of the Chalmette ferry and to provide ferry service formerly operated by DOTD's Crescent City Connection Division.

The New Orleans Ferry Fund is set to terminate on June 30, 2018, under present law. Proposed law will allow ongoing ferry operation appropriations and expenditures of approximately \$1.2 M annually. Absent proposed law, these funds would instead flow into the Transportation Trust Fund Regular and be utilized for the general operating, maintenance and capital construction expenditures of DOTD.

Proposed law would also revise the flow of approximately **\$286,227 annually from the Transportation Trust Fund Regular into the newly created Jefferson Parish Maintenance and Improvement Fund (JPMIF)** (see Table under Revenue Explanation on page 2). Absent proposed law, these funds would instead flow into the Transportation Trust Fund Regular and be utilized for the general operating, maintenance and capital construction expenditures of DOTD.

Proposed law provides that monies deposited into the JPMIF shall be appropriated to the governing authority of Jefferson Parish and used exclusively for maintenance and improvements of state highways and non-federal aid routes in Jefferson Parish. **As Jefferson Parish is not an agency of the state, the LFO assumes that such appropriations would be pass-through allocations appropriated to the Department of Transportation and Development.**

Creating a new statutory dedication (Regional Maintenance and Improvement Fund) within the state treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds and at some threshold the agency may require additional staff resources and incur additional SGF expenditures of approximately \$70,963 annually plus periodic one-time expenses for office equipment.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

Proposed law repeals sunset of the New Orleans Ferry Fund and would result in the **reallocation of approximately \$1.2 M Statutory Dedication revenues** equal to truck and trailer registration and license fees and taxes collected in Orleans Parish, continuing to deposit these monies into the New Orleans Ferry Fund (scheduled for termination under present law on June 30, 2018) instead of the Transportation Trust Fund - Regular. For informational purposes between FY 14 and FY 17, average revenue collections from truck and

SEE REVENUE EXPLANATION CONTINUED ON PAGE 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<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}

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Staff Director

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

The Department of Public Safety (DPS) estimates proposed law will require 80 hours of overtime at a cost of \$5,275 (assumed to be SGF) to facilitate programming changes to correctly code relevant revenues to the JPMIF. 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 as similar legislation passes each year. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources.

REVENUE EXPLANATION CONTINUED FROM PAGE 1

trailer registration and license fees and taxes deposited into the New Orleans Ferry Fund have averaged approximately \$1.2 M annually. For clarification, truck and trailer registration and license fees and taxes are normally deposited into the State Highway Improvement Fund (SHIF) to provide for funding projects for any road which is part of the state highway system but not part of the federal system and, thus, is ineligible for federal highway funding assistance. However, R.S. 48:197 provides that collections of these registrations, fees and taxes in certain designated parishes shall be deposited into the Transportation Trust Fund - Regular instead of the SHIF.

Proposed law would also reallocate approximately \$285,000 annually from the Transportation Trust Fund into the newly created Jefferson Parish Maintenance and Improvement Fund (JPMIF). Proposed law provides that the revenues generated would be appropriated to the governing authority of Jefferson Parish. Proposed law provides that after making the allocation to State Highway Fund No. 2 for the Greater New Orleans Expressway Commission, the treasurer shall deposit into the JPMIF 15% of the remaining monies derived from the collection of registration and license fees and taxes collected by the state pursuant to R.S. 47:462, and as provided in R.S. 47:481, within Jefferson Parish. For informational purposes: between FY 15 and FY 17, average collections from truck and trailer revenues in Jefferson Parish have averaged approximately \$3.8 M annually. Proposed law specifies that 50%, or \$1.9 M, will flow into State Highway Fund No. 2 as in present law. 15% of the remaining \$1.9 M balance, or approximately \$285,000, shall be deposited into the JPMIF for uses detailed in proposed law.

Under present law, revenues generated from these sources would flow 50% into the Transportation Trust Fund - Regular beginning on July 1, 2018, with the balance being sent to the Greater New Orleans Expressway Commission. Proposed law will segregate the Transportation Trust Fund allocation between three statutory dedications as below beginning in FY 19.

	<u>Present Law</u>	<u>Proposed Law</u>			
	<u>FY 19</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>
REC Estimate for Highway Fund No. 2	\$13.1 M	\$13.1 M	\$13.2 M	\$13.3 M	\$13.3 M
Greater New Orleans Expressway Commission	\$6,550,000	\$6,550,000	\$6,600,000	\$6,650,000	\$6,650,000
TTF - Regular	\$6,550,000	\$5,052,495	\$5,102,495	\$5,152,495	\$5,152,495
*New Orleans Ferry Fund	\$0	\$1,212,505	\$1,212,505	\$1,212,505	\$1,212,505
*Jefferson Parish Maintenance and Improvement Fund	\$0	\$285,000	\$285,000	\$285,000	\$285,000

*For simplicity, this fiscal note assumes future revenues deposited into the New Orleans Ferry Fund equal the historical average from FY 14 through FY 17, and revenues deposited into the JPMIF equal 15% of historical collections between FY 15 and FY 17. To the extent that relevant revenues collected in Orleans and Jefferson Parishes vary from these averages, the totals deposited into the TTF - Regular will deviate, receiving the balance available after allocation to the New Orleans Ferry Fund and JPMIF.

Senate Dual Referral Rules
 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}

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