

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 217** HLS 19RS 475

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|-----------------------------------|
| Date: April 23, 2019 | 2:43 PM | Author: LEGER |
| Dept./Agy.: DOTD | | Analyst: Alan M. Boxberger |
| Subject: Increases certain special permit fees and dedicates proceeds | | |

FEES/LICENSES/PERMITS EG +\$8,584,000 SD RV See Note Page 1 of 2
Increases certain special permit fees and dedicates the proceeds of the fee increase into the Construction Subfund of the Transportation Trust Fund

Proposed law increases the fee for issuance of special overweight permits by 50% for single trips and dedicates all revenues collected annually pursuant to R.S. 32:387(H) over \$20 M into the Construction Subfund of the TTF; modifies the axle weight limitation for Class II Ocean Container permits, removes the restriction that such axles be a rear axle set in tridem, increases the annual permit fee by 50%, and removes the limitation that applications for permits must be from owners or operators within a fifty-mile radius of a statutorily defined port or harbor district of a vehicle transporting sealed intermodal containers.

Proposed law has an effective date of January 1, 2020.

| EXPENDITURES | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 5 -YEAR TOTAL |
|---------------------|------------------|-----------|-----------|-----------|-----------|------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$200,000 | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | \$200,000 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$200,000 | | | | | \$200,000 |

| REVENUES | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 5 -YEAR TOTAL |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$4,292,000 | \$8,584,000 | \$8,584,000 | \$8,584,000 | \$8,584,000 | \$38,628,000 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$4,292,000 | \$8,584,000 | \$8,584,000 | \$8,584,000 | \$8,584,000 | \$38,628,000 |

EXPENDITURE EXPLANATION

Proposed law will result in one-time expenditures out of the statutorily dedicated Transportation Trust Fund-Regular (TTF) to modify the existing permitting program (LaGeaux). DOTD estimates the programming costs at \$200,000 to modify LaGeaux to reflect the directed changes to the permit fee structure.

Proposed law does not otherwise create a direct, material impact on expenditures, but provides additional revenues to support the general costs for, and associated with, construction and maintenance of the roads and bridges of the state and federal highway system pursuant to La. Const. art. VII, § 27 (see Revenue Explanation below).

REVENUE EXPLANATION

Proposed law will result in a significant increase in revenues deposited into the constitutionally and statutorily dedicated Transportation Trust Fund-Regular (TTF-Regular) and the Construction Subfund of the Transportation Trust Fund (TTF). For FY 20, the LFO assumes 50% of normal annual collections increase due to an effective date of January 1, 2020.

Proposed law increases the fee for issuance of special overweight permits by 50% for single trips and provides that any revenues collected for the issuance of special overweight permits in excess of \$20 M in a fiscal year shall be paid into the state treasury for deposit into the Construction Subfund of the TTF. DOTD reports that the three-year average for overweight permit fee collections (each fee varies by weight) between FY 16 and FY 18 pursuant to R.S. 32:387(H) was \$17,119,782. A 50% increase in the overweight permit fees would generate approximately \$8.56 M of additional statutorily dedicated revenues, assuming that the increase in overweight permit fees does not cause a decline in the number of permits sought by industry and issued by DOTD.

Under the provisions of **proposed law**, the statutorily dedicated TTF-Regular would realize increased deposits of approximately \$2.88 M (to bring the total to \$20 M) and the Construction Subfund of the TTF would realize deposits of \$5.68 M (the portion in excess of \$20 M). There is currently no recurring revenue source deposited into the Subfund.

SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO

| | | |
|--|----------------------------|--|
| Senate | <u>Dual Referral Rules</u> | House |
| <input checked="" 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 checked="" 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

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CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE ONE

Proposed law increases the annual permit fee for transportation of Class II Ocean containers and dedicates the increase to the Construction Subfund of the TTF. DOTD reports that the three-year average for Class II Ocean container transportation permit collections between FY 16 and FY 18 pursuant to R.S. 32:387(J)(2)(a) was \$48,000. A 50% increase in these permit fees (\$250) would generate approximately \$24,000 of additional revenues deposited into the Subfund, assuming that the increase in permit fees does not cause a decline in the number of permits sought by industry and issued by DOTD.

La. Const. art. VII, § 27 provides for the allowable uses of these monies as follows:

The TTF-Regular shall be appropriated or dedicated solely and exclusively for the costs for and associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, ports, airports, transit, and the Parish Transportation Fund and for the payment of all principal, interest, premium, if any, and other obligations incident to the issuance, security, and payment in respect of bonds or other obligations payable from the trust fund as authorized in Paragraph (D) of this Section.

The Construction Subfund of the TTF shall be appropriated and dedicated solely for the direct costs associated with actual project delivery, construction and maintenance of transportation and capital transit infrastructure projects of the state and local government, and prohibits use of said funding for the payment of employee wages, related benefits or retirement benefits. The Construction Subfund is to be comprised of the avails of any new taxes that become effective and are levied on gasoline, motor fuels, or special fuels on or after July 1, 2017.

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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