



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 223 HLS 19RS 759

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: June 1, 2019 10:24 AM, Author: BRASS. Row 2: Dept./Agy.: Public Safety/State Police, Analyst: Willis Brewer. Subject: Towing and storage licenses and fines.

MTR VEHICLE/TOWING EN INCREASE SD RV See Note Page 1 of 1
Provides with respect to towing and storage licenses and fines

Present law requires the Dept. of Public Safety and Corrections, office of state police, to adopt and levy fines for violation of the La. Towing and Storage Act. Proposed law limits the fine to not more than \$500. Proposed law authorizes the Dept. to initiate an administrative action to suspend the storage license of a storage company for repeat violations of any provision of present law or for the failure to meet requirements for the issuance of a storage license. Proposed law prohibits the suspension imposed from exceeding 30 days. Proposed law authorizes revocations to be issued for three or more suspensions. Proposed law grants a licensee an opportunity for an impartial hearing held in accordance with the Administrative Procedure Act prior to the suspension or revocation of any license. Proposed law defines "repeat violations" as three or more violations of the same administrative rule or regulation within a two-year period. Present law requires a fine be issued to any person who fails to comply with any provision required by the La. Towing and Storage Act and forfeit all claims for towing services and storage of such vehicles. Proposed law limits the fine to not more than \$500.

Table with 7 columns: EXPENDITURES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed law will increase Department of Public Safety (DPS), Office of State Police (OSP) revenues deposited into statutory dedications out of the Louisiana Towing and Storage Fund from fines that have recently been deemed unconstitutional. OSP receives approximately \$200,000 in annual licensing fees from 2,000 towing and storage facilities (\$100 license fee x 2,000 facilities) and approximately \$80,000 in annual fines issued to towing and storage facilities. On November 7, 2018, the First Court of Appeal ruled in Mid-City Automotive, L.L.C. vs. State of LA, Department of Public Safety and Corrections, Office of State Police that these fines were unconstitutional because the fines did not have a maximum amount in statute. The proposed limit of \$500 is not anticipated to impact total fines collected because over the last five years OSP has not issued a fine above \$500. This fiscal note shows INCREASE in the Revenues box because OSP will be unable to levy and collect fines for violation of the La. Towing an Storage Act until a maximum fine is placed in statute as in proposed law. However, total revenues are not anticipated to exceed those projected prior to cessation of fines as a result of the Court of Appeal ruling in November 2018.

Table with 2 rows and 2 columns. Row 1: Senate Dual Referral Rules, House. Row 2: 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}, 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}. Row 3: 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}, 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}. Signature of Evan Brasseaux, Staff Director.