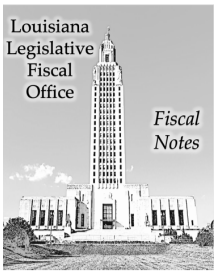


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 447** HLS 24RS 651

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

<b>Date:</b> April 12, 2024 2:43 PM	<b>Author:</b> ILLG
<b>Dept./Agy.:</b> Office of Motor Vehicles	<b>Analyst:</b> John McKay
<b>Subject:</b> Driver's License Fee Increase	

MTR VEHICLE/DRIVER LIC OR +\$3,914,945 SD RV See Note Page 1 of 1  
Increases the driver's license fee and the specific portion directed to the litter abatement fund

Proposed legislation increases the basic license fee that every applicant for a Class A, B, C, D, and E license must pay by \$6. Under current law, \$1.50 of the driver's license fee shall be forwarded by the department to the litter abatement account. This measure changes the amount forwarded to the litter abatement account from \$1.50 to \$7.50 per license issued.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$19,574,725</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$3,914,945</b>	<b>\$19,574,725</b>

**EXPENDITURE EXPLANATION**

Proposed legislation will create a minimal expenditure impact to the Office of Motor Vehicles (OMV) associated with software updates and testing.

The Department of Public Safety (DPS) estimates the proposed measure will require a one-time SGF expenditure of \$38,744 to implement application changes and to perform 3 to 6 months of system testing. The Office of Technology Services (OTS) would perform this work at an estimated 402 hours of overtime by two Senior Developers (402 hours x \$95 per hour = \$38,190 x 1.45% Medicare tax = \$553.76; a total of \$38,744). 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. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, DPS may require additional resources.

**REVENUE EXPLANATION**

Proposed legislation will increase revenues for the statutorily dedicated Litter Abatement and Education Account within the Conservation Fund by an average of \$3,914,945 annually.

This measure increases the fee on Class A, B, C, D, and E licenses by \$6 statewide. The portion of the fee forwarded by OMV to the Litter Abatement and Education Account will increase from \$1.50 to \$7.50 per license. The increase from \$1.50 to \$7.50 represents a 400% ((7.50 - 1.50)/1.50) increase. Applying the 400% increase to the average deposit amount of \$978,736 yields an incremental increase in deposits by an estimated \$3,914,945 (\$978,736 x 400%) annually.

Below is the prior 3 year history of deposits to the Litter Abatement and Education Dedicated Fund Account from motor vehicle licenses.

\$1,024,162 FY 22  
\$1,061,510 FY 23  
\$850,537 FY 24  
\$978,736 3 Year Average

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}

**Patrice Thomas**  
**Deputy Fiscal Officer**