



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 630** HLS 25RS 473
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 25, 2025	4:18 PM	Author: BAYHAM
Dept./Agy.: Motor Vehicles		
Subject: Fees associated with updating driver’s license to meet REAL ID standards		Analyst: John McKay

MTR VEHICLE/DRIVER LIC OR DECREASE SG RV See Note Page 1 of 1
Reduces the fee applicable to updating a driver's license to comply with REAL ID standards

Proposed legislation reduces the fee for updating a Class A, B, C, D, or E driver’s license to comply with REAL ID standards to \$10. Proposed measure exempts the reduced fee of \$10 from the required contributions in present law. Proposed measure provides that the renewal date on the original license must remain unchanged on the updated license.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$33,732	\$0	\$0	\$0	\$0	\$33,732
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$33,732	\$0	\$0	\$0	\$0	\$33,732

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

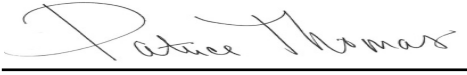
EXPENDITURE EXPLANATION
Proposed measure will result in a one-time increase in SGR expenditures for the Department of Public Safety, Office of Motor Vehicles (OMV) by \$33,732 in FY 26, related to updating the current OMV database and reporting system to add a new field for the \$10 fee associated with the issuance of REAL ID-compliant licenses. The Office of Technology Services (OTS) will need to develop, test, and implement the required changes to the driver’s license system. OTS would perform this work at an estimated 350 hours of overtime by a Senior Application Developer (350 hours x \$95 per hour = \$33,250 x 1.45% Medicare tax = \$482; a total of \$33,732).

REVENUE EXPLANATION
Proposed measure will decrease SGR in the Department of Public Safety, Office of Motor Vehicles (OMV), by an indeterminable amount, to the extent that applicants request the issuance of a new driver’s license solely for the purpose of updating the REAL ID credential on their current license. Proposed legislation reduces the fee for applicants updating the REAL ID credential on their Class A,B,C,D, or E driver’s license to \$10. Fees for renewals and duplicate driver’s licenses vary depending on the license class and whether the applicant resides in New Orleans. As of 4/01/25, a total of 2,038,175 driver’s licenses were noncompliant with REAL ID standards. For reference, the table below displays the incremental fee changes based on license class and residency status.

License Class	New Orleans Resident	Current Fee	Proposed Fee	Difference
A, B, or C	Non-New Orleans	\$61.50	\$10.00	(\$51.50)
A, B, or C	New Orleans	\$76.50	\$10.00	(\$66.50)
D	Non-New Orleans	\$42.75	\$10.00	(\$32.75)
D	New Orleans	\$54.00	\$10.00	(\$44.00)
D (Age 70+)	Non-New Orleans	\$22.13	\$10.00	(\$12.13)
D (Age 70+)	New Orleans	\$27.75	\$10.00	(\$17.75)
E	Non-New Orleans	\$20.25	\$10.00	(\$10.25)
E	New Orleans	\$20.25	\$10.00	(\$10.25)

For illustrative purposes, there are currently 1,431,396 Class E personal driver’s licenses that are not REAL ID compliant. If 3.5% of those individuals requested a new license solely to update their REAL ID credential, it would result in a \$513,513 decrease in SGR. The \$513,513 decrease in SGR for OMV is calculated as follows:

Proposed law (50,099 class E licenses x \$10.00 fee = \$500,989)
Current law (50,099 class E licenses x \$20.25 fee = \$1,014,502)
(\$513,513) decrease

<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}	Patrice Thomas
<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}	Deputy Fiscal Officer