LEGISLATIVE FISCAL OFFICE **Fiscal Note**



476 HLS 25RS Fiscal Note On:

Bill Text Version: ENROLLED

HR

535

Opp. Chamb. Action: Proposed Amd .:

Sub. Bill For .:

Date: June 13, 2025 10:14 AM **Author: FONTENOT**

Dept./Agy.: Office of Motor Vehicles

Analyst: John McKay **Subject:** Fees imposed by motor vehicle sellers for titling a retail transaction

MTR VEHICLE/DEALERS EN NO IMPACT See Note Page 1 of 1 Provides relative to an annual automatic adjustment to a fee for motor vehicle dealers based on the Consumer Price Index

Current law allows a motor vehicle seller to charge a fee up to \$425 for a credit investigation, compliance with federal and state laws, preparation of documents necessary to perfect or satisfy a lien on the items sold, and other functions incidental to the titling of the retail sale. This bill allows the base maximum fee to be adjusted annually, beginning 1/01/26, to the lesser of two amounts: (1) The base maximum fee of \$425, adjusted by the cumulative percentage change in the annual average of the Consumer Price Index for All Urban Consumers (CPI-U), calculated using unadjusted monthly index values averaged over the calendar year relative to the annual average for calendar year 2024; or 2) the previous year's adjusted fee increased by 3%. If the CPI-U shows a negative change, the fee will remain unchanged. The Division of Administration will calculate the adjusted maximum fee, subject to verification by the Legislative Auditor, and will transmit the updated fee to the Louisiana Motor Vehicle Commission by February $\mathbf{1}^{\text{st}}$ each year to be published on its official website. Proposed legislation provides that if the adjustment results in a fee with a fractional dollar amount of \$0.50 or more, the fee will be rounded up to the next whole dollar. If the fractional dollar amount is less than \$0.50, the fee will be rounded down to the nearest whole dollar.

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.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0
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.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Currently, a motor vehicle seller may charge a fee, of up to \$425, in connection with a retail sale for services such as credit checks, compliance with federal and state laws, preparation of documents to perfect or satisfy a lien on the vehicle, and other tasks related to titling the sale. This bill allows the base maximum fee to be adjusted annually, beginning 1/01/26, to the lesser of two amounts: (1) The base maximum fee of \$425, adjusted by the cumulative percentage change in the annual average of the Consumer Price Index for All Urban Consumers (CPI-U), calculated using unadjusted monthly index values averaged over the calendar year relative to the annual average for calendar year 2024; or 2) the previous year's adjusted fee increased by 3%. If the CPI-U shows a negative change, the fee will remain unchanged.

REVENUE EXPLANATION

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

Senate <u>Dual Referral Rules</u>	<u>House</u>	Some Maynor
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	From All sents
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}	Patrice Thomas Deputy Fiscal Officer