

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 1056 HLS 12RS 1572

Bill Text Version: REENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date:	May 24, 2012	9:40 AM	Author:	FRANKLIN
Dept./Agy.:	Department of Public Safety			
Subject:	Creates the Free and Accepted Mason prestige license plate			Analyst: Alan M. Boxberger

MTR VEHICLE/LICEN PLATES RE INCREASE SG EX See Note Page 1 of 1
Creates the Free and Accepted Mason prestige license plate

Proposed law requires the Secretary of the Department of Public Safety and Corrections to establish a special prestige motor vehicle license plate to be known as the "Free and Accepted Mason" plate, provided there is a minimum of 1,000 applicants for the plate. This license plate will be restricted to passenger cars, pickup trucks, recreational vehicles and vans. Proposed law indicates that the color and design shall be selected by the Free and Accepted Mason Ionic Lodge Number 26. Proposed law establishes a royalty fee for the "Free and Accepted Mason" license plate, authorizes a handling fee to be retained by the department, and identifies the recipient of the royalty fees.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed law will result in an indeterminable increase in state expenditures for supplies associated with the manufacture of license plates. The Department of Public Safety indicates the proposed law may require approximately 120 hours of overtime for the Information Services Section at an average cost of \$32 per hour (\$32 x 120 = \$3,840) plus associated Medicare expenses (\$3,840 x 1.45% = \$56), or a total of \$3,896 in personal services. The legislation will require programming and database modifications performed by IT Applications Analysts to support the new license plate. 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, the Department may require additional resources.

The proposed legislation legislation will require \$3,700 in supply purchases to manufacture 1,000 "Free and Accepted Mason" plates at a cost of \$3.70 per plate (\$3.70 x 1,000 = \$3,700).

The total expenditures in the first year are approximately \$7,596, assuming 1,000 plates are manufactured and sold. Each additional license plate would result in an expenditure increase of \$3.70. Because the cost of manufacturing a plate exceeds the administrative fee allowed to the department, each plate manufactured would result in a \$0.20 impact that would be absorbed within the department's existing budget authority, or may require SGF support if existing authority is insufficient.

REVENUE EXPLANATION

The proposed law may generate approximately \$3,500 in self-generated revenue for the Office of Motor Vehicles for every 1,000 "Free and Accepted Mason" plates that are issued. The bill authorizes the department to charge a \$3.50 handling fee per license plate sold to offset a portion of administrative costs (\$3.50 x 1,000 plates = \$3,500).

The proposed law would also generate \$50,000 in royalty fees at \$25 annually per plate for every 1,000 plates issued (collected every two years upon renewal). Royalties collected by the department are deposited into an escrow account and then would be forwarded to the Free and Accepted Mason Ionic Lodge incorporated in the zip code which the motor vehicle is registered with the office of motor vehicles. In the event there are multiple lodges incorporated within the same zip code, the plate applicant shall indicate to which Free and Accepted Mason lodge the royalty fee shall be forwarded. The monies received from the royalty fees are to be used solely for the purposes of funding philanthropic endeavors as each lodge sees fit.

Senate	Dual Referral Rules	House	Evan Brasseaux
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input 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 Staff Director