



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 638** HLS 16RS 1217

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2016 8:17 AM	Author: GISCLAIR
Dept./Agy.: Department of Wildlife and Fisheries	
Subject: Creates Rules, Capabilities to Sell Fishing Licenses Online	Analyst: Mason Hess

FISHING/COMMERCIAL

OR INCREASE SD EX See Note

Requires the sale of commercial fishing licenses online

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Present law allows for the sale of commercial fishing licenses only during normal working hours in Department of Wildlife and Fisheries’ (DWF) Baton Rouge or New Orleans offices, district offices south of I-10, and at the Bourg and New Iberia fisheries offices.

Proposed law repeals present law and requires DWF to offer new applications for and renewals of commercial fishing licenses online.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

The Department of Wildlife and Fisheries (DWF) reports that the Office of Technology Services (OTS) estimates one-time implementation costs to be \$1,032,000 from Statutory Dedications - Conservation Fund to develop and implement an online portal for applications for, and renewals of, commercial fishing licenses. OTS identifies the need for 12,000 hours of programming at \$80 per hour (\$960,000), 200 hours of technical support at \$60 per hour (\$12,000), and identifies overhead expenses at \$60,000. To the extent that the enumerated work may be accomplished at less than the identified workload need for programming, expenses may be reduced accordingly. The LFO assumes there would be an additional unspecified maintenance cost associated with the online portal in subsequent years.

DWF would also be required to update its licensing system to adopt necessary changes in privilege types. DWF cannot currently identify the full scope of changes that would be required in order to provide a full estimate of expenses. DWF utilizes an existing contractor to make changes to the licensing system on a per-hour worked basis. The LFO believes the work required under proposed law may be able to be absorbed within the department’s base budget and contract for changes to the licensing system, which occur on regular basis. However, proposed law projects expenses that nearly equal DWF’s OTS contract totals for the two previous fiscal years (\$1,272,394.08 for FY 2013-2014 and \$1,320,246 for FY 2014-2015). These

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REVENUE EXPLANATION

Proposed law requires DWF to promulgate rules authorizing application and payment via the internet for new applications for new and renewal applications of commercial fishing licenses. Present law allows for a \$2.00 fee to provide for use of such application and payment. DWF estimates \$134,946 in revenue per year from the \$2.00 fee for online applications and renewals. The estimate is based on the number of commercial licenses sold in 2015, which was 67,473. To the extent the contractor completing updates and changes to the licensing system requires such, present law allows additional licensing or transaction fees above the \$2.00 per license fees in existing law. DWF cannot provide an estimate regarding the existence or values of such fees at the current time.

Senate

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

Dual Referral Rules

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

House

☐ 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}

Evan Brasseaux

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Staff Director



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

contracts do not have a maximum fee that may be charged for IT services. To the extent multiple pieces of legislation are passed during this legislative session requiring DWF to utilize its contractor to update the licensing system, additional resources may be required. Present law allows DWF to cover this unknown additional system expense by adding a \$2 fee to online transactions, in addition to any additional license or transaction fee imposed by the contractor. The proposed fees are not projected to fully cover the one-time implementation costs of the online portal.

Senate

Dual Referral Rules

House

- ☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 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}

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