LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 142** HLS 18RS 314
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 22, 2018 1:32 PM
Dept./Agy.: Environmental Quality
Subject: Waste Tires
Author: LYONS
Analyst: Colleen Gil

ENVIRONMENT/WASTE TIRES EN +$1,144,363 SD RV See Note
Increases the waste tire disposal fee applicable to passenger and light truck tires

Proposed law increases the fees in present law on passenger/light truck tires from $2 to $2.25 beginning on October 1, 2018 through July 31, 2022. Proposed law provides that beginning August 1, 2022, the fee per passenger/light truck tires shall be $2.

EXPENDITURES	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**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	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	INCREASE	$1,144,363	$1,144,363	$1,144,363	INCREASE	**$3,433,089**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total		**$1,144,363**	**$1,144,363**	**$1,144,363**		**$3,433,089**

EXPENDITURE EXPLANATION

The Department of Environmental Quality (DEQ) anticipates additional payments of $1,029,927 to processors for the proper disposal of collected waste tires to the authorized end use. Per LA R.S. 30:2418(I) DEQ pays processors 7.5 cents per pound.

REVENUE EXPLANATION

There will be an increase in revenue to the statutorily dedicated Waste Tire Management Fund as a result of the fee increase for passenger/light truck tires. The proposed legislation raises the waste tire fee by $0.25 for passenger/light truck tires beginning on October 1, 2018 through July 31, 2022.

The Department of Environmental Quality (DEQ) has collected an average of $9.15 M per year in passenger tire fees over the past five years based on the average sale of 4.6 M passenger tires annually. To the extent the average number of passenger tires purchased in future years remains consistent, DEQ expects to collect additional revenues beginning in FY 19, an additional $1.1 M annually through FY 22, and have a minimal increase in revenues in FY 23 as a result of the sunset.

Senate Dual Referral Rules

- [ ] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
- [x] 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}

Evan Brasseaux

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