

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 375** SLS 24RS 252

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 21, 2024 10:06 AM	Author: KLEINPETER
Dept./Agy.: Department of Public Safety; Office of Motor Vehicle	Analyst: John McKay
Subject: Creates the "Telecommunicator" Special Prestige License	

MOTOR VEHICLES RE SEE FISC NOTE GF EX See Note Page 1 of 2
Provides that the Office of Motor Vehicles shall create a prestige license plate for telecommunicators. (8/1/24)

Proposed law requires the Office of Motor Vehicles (OMV) to create the "Telecommunicator" and the "Special Needs Advocacy, Support and Inclusion for all Abilities" special prestige license plates, provided there is a minimum of 1,000 applicants for each plate. Proposed law provides that OMV shall create the special prestige license plates when OMV's electronic vehicle and title registration system is updated to accommodate the creation of new plates. Proposed law restricts the specialty license plates to passenger cars, pickup trucks, recreational vehicles, motorcycles, and vans. Proposed law authorizes DPS to collect a \$3.50 handling fee for each plate to be retained by DPS to offset a portion of administrative costs. Proposed law effective 8/01/2024.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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 law will have an indeterminable, likely marginal, impact on state expenditures for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) to issue special prestige license plates because of the inability of OMV's legacy system to create additional special prestige license plates at this time. OMV's old legacy system, which is over 45 years old, cannot accommodate additional 2-digit codes that are used to define a prestige plate as the currently available codes are all in use. Therefore, the proposed law is not likely to create a direct expenditure impact within the five-year scope of this fiscal note; however, there will be a marginal cost once the plate is issued based on historical costs (see NOTE ON PAGE 2).

The proposed law provides that DPS shall create the "Telecommunicator" and the "Special Needs Advocacy, Support and Inclusion for all Abilities" plates when the department's Vehicle Registration Platform system is updated to accommodate the creation of new plates. OMV, in conjunction with the Office of Technology Services (OTS), began the OMV Re-Engineering Project of the Vehicle Registration Platform system in FY 18 to build a new system to replace the current OMV legacy system. The project is scheduled to be completed over several years, assuming ongoing appropriations are made, at an annual cost of approximately \$1.6 M for a total cost of \$8 M - \$11 M SGR. OMV reports that once completed the replacement system will be capable of coding additional prestige plates created by statute in the interim period.

REVENUE EXPLANATION

Proposed law will have an indeterminable impact on SGR revenues for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) derived from the issuance of special prestige license plates because of the OMV legacy system's inability to create additional prestige plates at this time. To the extent these plates are issued in the future, the proposed law may generate \$7,000 in self-generated revenue for the Office of Motor Vehicles for every 2,000 plates that are issued. The proposed law authorizes OMV to charge a \$3.50 handling fee per license plate sold to offset a portion of administrative costs (\$3.50 x 2,000 plates = \$7,000).

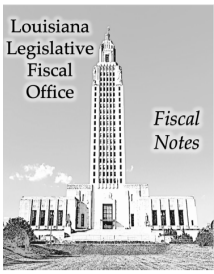
Proposed law may also generate \$100,000 in royalty fees at \$25 annually per plate for every 2,000 plates issued (\$25 per plate x 2,000 x 2 years). Fees are collected every two years upon renewal. Royalties collected on the "Telecommunicator" plate will be deposited into an escrow account and then would be forwarded to the Louisiana Care and Compassion Committee of the Louisiana Association of Public Safety Communications Officials. Royalties collected on the "Special Needs Advocacy, Support and Inclusion for all Abilities" plate will be deposited into an escrow account and then would be forwarded to the The Arc of Baton Rouge to provide advocacy, services, and support for Louisiana children and adults with special needs and of all abilities.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 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}

Patrice Thomas
Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:

NOTE:

Historically, legislation issuing special prestige license plates results in an indeterminable, but likely marginal, increase in state expenditures for supplies associated with the manufacture of license plates. The proposed law will require \$3,700 in supply purchases to manufacture 1,000 "Telecommunicator" plates at a cost of \$3.70 per plate ($\$3.70 \times 1,000 = \$3,700$). Each additional license plate would result in an expenditure increase of \$3.70. DPS is limited to collecting only \$3.50 for administrative costs, every 1,000 plates issued each fiscal year results in an expenditure of \$200 SGF or SGR.

The total expenditures in the first year are approximately \$3,700, 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 the existing budget is insufficient.

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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