

LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 11

Fiscal Note On: **HB 111** HLS 161ES 243

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



Date: March 14, 2016 9:59 AM	Author: MARCELLE
Dept./Agy.: Revenue	Analyst: Zachary Rau
Subject: Elimination of the Debt Recovery Fund	

FUNDS/FUNDING EN SEE FISC NOTE SD EX See Note
To eliminate the Debt Recovery Fund (Item #7)

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Proposed law retains present law authorizing the Department of Public Safety & Corrections (DPSC), Office of Motor Vehicles (OMV) to collect delinquent fees related to suspension of an operator's licenses and insurance lapses, as well as present law requiring OMV to refer all delinquent fees to the Department of Revenue's Office of Debt Recovery (ODR) if not collected within 60 days. Proposed law eliminates present law providing that revenues from the collection of delinquent debt by ODR be placed in the statutorily dedicated Debt Recovery Fund. Proposed law eliminates the Debt Recovery Fund and allows all agencies to utilize revenues derived from referred debt collected by ODR, subject to an annual appropriation, as if they were timely collected. Proposed law repeals present law providing for allocations out of the Debt Recovery Fund to the DPSC's Office of State Police and Dept. of Transportation and Development resulting from OMV delinquent debt fees made pursuant to Act 121 of 2015.

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	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						

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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

Proposed law repeals LA R.S. 47:1676(E)(2) & (3), eliminating the Debt Recovery Fund. Proposed law also eliminates an \$11 M allocation to the Office of State Police (OSP) and a \$42 M allocation to the Dept. of Transportation & Development (DOTD) from the statutorily dedicated Debt Recovery Fund pursuant to Act 121 of 2015.

OSP has a FY 16 appropriation from the Debt Recovery Fund totaling \$11 M. DOTD's appropriation from the Debt Recovery Fund in FY 16 totals \$17 M and is contained in the Capital Outlay act of 2015 (Act 26). If proposed law as outlined in this bill is enacted, replacement means of financing would be required to fund expenditures relative to appropriations from the Debt Recovery Fund. To fund expenditures relative to the Debt Recovery Fund in FY 16, amendments to the Supplemental Appropriations act of the First Extraordinary Session of 2016 (HB 122) replaced appropriations from the fund with IAT from the Office of Motor Vehicles (OMV) for DOTD in the amount of \$24 M. Similarly, OSP may require a means of financing swap in FY 16 to reclassify appropriations from the Debt Recovery Fund to self-generated revenue.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law simplifies the mechanism by which state agencies retrieve revenues generated from referring delinquent debt to the Office of Debt Recovery (ODR), allowing for the revenues directly to the agencies rather than to the Debt Recovery Fund within 30 days after the end of the month in which the revenues were collected. As a result, state agencies will not require an appropriation from the Debt Recovery Fund to access funds owed to them by debtors that have been collected by ODR. These funds will instead be classified as self-generated revenues to the agencies. To date in FY 16, ODR has collected \$4.69 M.

Senate Dual Referral Rules House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & 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

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