



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

UNAUTHORIZED FEE

Report by

Inspector General Bill Lynch

Prepared for

Governor M.J. "Mike" Foster, Jr.

June 7, 1999

File No. 1-99-0074



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

Unauthorized Fee

April 13, 1999

Report by

A handwritten signature in black ink, appearing to be "BL", written over a horizontal line.

Inspector General Bill Lynch

Approved by

A handwritten signature in black ink, appearing to be "M.J. Foster", written over a horizontal line.

Governor M.J. "Mike" Foster, Jr.

File No. 1-99-0074

Unauthorized Fee

The Department of Wildlife and Fisheries improperly collected more than \$1 million over the past eight years from a \$1 voluntary postage and handling fee included on boat registration and renewal applications.

The agency is unable to demonstrate it obtained legislative approval to initiate the fee.

Background

Owners of any motorboat or sailboat are required to register their boats through the Department of Wildlife and Fisheries. The registration fee is \$15 for the first three years and \$10 for the next three years.

New registration applications may be obtained from the department or from boat dealers. The department mails renewal applications to boat owners approximately 45 days prior to the expiration of the current registration.

La. R.S. 34:851.32 states that the cost of administering the boat registration program shall be covered by the funds collected through the registration fees which are statutorily set.

Unauthorized Fee

The department's registration application form and the renewal application form contain a postage and handling fee pre-printed on each form. The renewal form has a pre-printed total amount due which includes the \$1 fee. The registration form does not have a pre-printed total amount due. Both applications state the postage and handling fee is voluntary.

The following schedule shows the amount collected by the department over the past eight years from postage and handling fees:

<u>Fiscal Year</u>	<u>Amount Collected</u>
90/91	\$141,269
91/92	\$107,507
92/93	\$136,273
93/94	\$129,718
94/95	\$117,708
95/96	\$119,092
96/97	\$125,602
97/98	<u>\$130,598</u>
Total	\$1,007,767

La. R. S. 49:968 mandates that prior to the adoption of any fee, the agency must report the proposal to the legislature, as well as publishing notice of it in the Louisiana Register.

The Department of Wildlife and Fisheries must submit its proposals to the House Committee on Natural Resources and the Senate Committee on Natural Resources.

Department officials say they are unable to ascertain what procedures, if any, were followed when instituting the postage and handling fee. The department defends the fee on the basis that the fee is voluntary and it is not required to mail the notices to boat owners.

Conclusion:

1. The Department of Wildlife and Fisheries has collected more than \$1 million over the past eight years from a postage and handling fee which it is unable to demonstrate was authorized. Based on the department's inability to demonstrate authorization, we conclude the fee is unauthorized.

Recommendation:

1. The department should follow administrative procedures to adopt the fee or discontinue collecting the fee.

BL/LR/fs

File No. 1-99-0074

State of Louisiana



James H. Jenkins, Jr.
Secretary

Department of Wildlife & Fisheries
Post Office Box 98000
Baton Rouge, LA 70898-9000
(225) 765-2800

M.J. "Mike" Foster, Jr.
Governor

April 12, 1999

Mr. Bill Lynch
State Inspector General
P.O. Box 94095
Baton Rouge LA 70804-9095

Re: Your File No. 1-99-0074

Dear Mr. Lynch:

The Department of Wildlife and Fisheries has reviewed your revised report regarding the department's collection of a voluntary contribution towards the cost of postage and handling necessary to cover the costs of mailing renewal notices to boat owners.

The department acknowledges the changes that have been made to address our previous concerns.

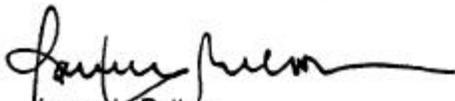
We do not concur with the statement in the first sentence that the department "improperly collected" the subject charges. We regard the use of the adverb "improperly" as an unwarranted conclusion which is not supported by the subsequent text. We suggest that the first sentence should read:

"The Department of Wildlife and Fisheries has collected more than \$1 million over the past eight years from a \$1 voluntary postage and handling fee included on boat registration and renewal applications."

We also feel that the meaning of the last sentence of the fourth paragraph on page 2 would be better expressed by substituting the following text:

"The department defends the fee on the basis that the fee is voluntary and the department is not required to mail the advance renewal notices to boat owners."

Very truly yours,


James L. Patton
Undersecretary

JLP/p