

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATURE 1st CALLED SESSION - 2003**

**July 21, 2003**

**TO:** Honorable Mike Krusee, Chair, House Committee on Transportation

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB43** by Ogden (Relating to motor vehicle registration and license plate fees.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB43, As Engrossed: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following presumes an immediate effective date.

**All Funds, Six-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> 6
2003	\$226,000
2004	\$2,797,000
2005	\$3,611,000
2006	\$3,647,000
2007	\$3,683,000
2008	\$3,720,000

The following presumes a November 1, 2003 effective date.

Fiscal Year	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> 6
2004	\$2,331,000
2005	\$3,611,000
2006	\$3,647,000
2007	\$3,683,000
2008	\$3,720,000

**Fiscal Analysis**

The bill would amend the Transportation Code to assess a \$1 fee on each applicant for registration of a motor vehicle at the time of registration or renewal by a person who sells at the first or a subsequent sale of a motor vehicle and who holds a general distinguishing number issued under Chapter 503 of the Transportation Code or the Texas Motor Vehicle Commission Code. The bill would require the fee to be paid by persons buying a motor vehicle from a licensed dealer in Texas, collected by the dealer, and submitted to a county tax assessor-collector along with other registration fees and

documents for registration and titling.

The bill would also remove the \$15 fee for each additional set of Disabled Veteran specialty license plates established under House Bill 2971, 78th Regular Session, so that only registration fees are required for each additional set.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect November 1, 2003.

### **Methodology**

The tables above reflect estimated gains to the State Highway Fund according to the Comptroller of Public Accounts. Table 1 reflects estimated gains if the bill would take effect immediately and Table 2 reflects estimated gains with a November 1, 2003, implementation date.

This analysis includes adjustments for initial implementation delays and a growth rate of approximately 1 percent in fees that would be collected under the provisions of the bill for each year after fiscal year 2005. With immediate effect, it is assumed that revenue gains of approximately \$226,000 would be realized in fiscal 2003, \$2.8 million in fiscal 2004, and \$3.6 million in fiscal year 2005. If the bill would take effect on November 1, 2003, it is assumed that revenue gains of \$2.3 million would be realized in fiscal year 2004 and \$3.6 million in fiscal year 2005. It is also assumed that in subsequent years revenue gains of approximately \$3.6 million would be realized in fiscal year 2006 and that this amount would increase to approximately \$3.7 million during fiscal years 2007 and 2008.

The Texas Department of Transportation estimates that approximately 11,500 Disabled Veteran specialty license plates would be sold during each year for the next 5 years. However, no related revenue loss is reflected in the table above for the required \$15 reduction in fees based on the Comptroller's estimate that no significant fiscal impact would be realized with the reduction.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

**LBB Staff:** JK, RT, JO, SD, WP, MW