

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 15, 2003

TO: Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB43 by Ogden (Relating to motor vehicle registration fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB43, As Introduced: 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 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.

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, JO, SD, WP, MW