

BILL ANALYSIS

H.B. 245
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Prior to 1992, counties would figure and collect motor vehicle registration revenue separately from sales tax revenue. At that time, counties would collect the sales tax and retain five percent of the funds at the end of the month. In 1992, the state changed the reimbursement method for sales tax money. Currently, counties are required to send in all of the sales tax money and retain the equivalent of the five percent sales tax from registration money. In many smaller counties, the county does not collect enough registration money to retain the sales tax commission from the registration funds. As a result, these smaller counties must wait a full calendar year to receive the five percent reimbursement from the state. The county loses the benefit from the immediate use of the funds or investment of their commission funds. Additionally, there is a number of counties that actually lose part of the registration money due to the manner in which the reimbursement is calculated.

House Bill 245 moves the five percent sales tax reimbursement to the end of the calculation to allow the smaller counties to receive full reimbursement for motor vehicle registration services from the state. It will not alter the fact that small counties must wait to receive the five percent motor vehicle sales tax fees. This shift in the calculation will not affect larger counties.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Amends the Transportation Code to modify the disposition by counties of motor vehicle registration fees and sales tax revenue. Requires that on each Monday the county assessor-collector, if the credits to the county road and bridge fund equal or exceed the maximum allowed amounts, to credit to the county road and bridge fund an additional amount equal to five percent of the tax and penalties collected in the preceding calendar year by the assessor-collector and the comptroller. Requires the comptroller, on request of the county tax assessor-collector, to remit to the county the amount of a deficiency from the collected tax and penalties if the amount of collections is insufficient to cover the amount that a county is authorized to retain.

EFFECTIVE DATE

January 1, 2004.