

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 22, 2003

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB257 by Pickett (Relating to the impoundment of a motor vehicle for failure to maintain financial responsibility for the vehicle.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to allow for the impoundment of a motor vehicle for failure to maintain financial responsibility. Costs to state law enforcement for impounding the vehicle would be offset to the extent that the costs are passed along to the vehicle owner or operator. The owner or operator would not be responsible for the cost of impoundment if they can later provide proof of financial responsibility. Overall, it is estimated that the net fiscal impact to state government would not be significant. The actual cost to state government would depend on the extent to which owners or operators can later provide proof of financial responsibility.

Local Government Impact

Costs to local governments to implement the bill would depend on the number of local governments that have their own wrecker services and storage facilities. Those local governments that have these services would have an insignificant fiscal impact. Local governments without these services would have to pay for towing services (estimated at \$200 per tow by the Texas Department of Public Safety) and impound fees (set by Section 2303.155, Occupations Code at \$5 to \$15 per day, with most storage companies using the maximum allowable of \$15). The financial impact would also depend upon the percentage of drivers whose cars were impounded that were later able to show proof of financial responsibility.

Source Agencies: 405 Department Of Public Safety

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