

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 23, 2003

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB623 by Goolsby (Relating to the regulation of motor vehicle title services.), **As Passed**
2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend Section 520.052, Transportation Code, to require a motor vehicle title service operating in a county that has a population of more than 500,000 or in which the county commissioners court has adopted this subchapter to obtain from the county tax assessor-collector a license to operate the service in that county. The bill would take effect September 1, 2003 and applicable motor vehicle title services would not be required to obtain a license prior to October 1, 2003.

Local Government Impact

Under current statute, motor vehicle title services are required to be licensed only in a county with a population of over 2.8 million; therefore, the current statute only applies to Harris County. Lowering the population limit to 500,000 or more would permit licensing in five additional counties: Bexar, Dallas, El Paso, Tarrant, and Travis. Other counties would also be eligible if the commissioners court adopts the subchapter. The county tax assessor-collector provides the application form, processes the license application, and collects an application fee.

According to the tax assessor-collector in Dallas County, the county would experience an estimated annual savings of \$140,000 per year because the county would be able to reduce staff time involved in working with law enforcement officials to stop illegal title activities. The provisions of the bill would enable the tax assessor-collector to regulate motor vehicle title activities. The application fee would also offset the application and licensing process.

There would be a positive fiscal impact in the applicable counties if they have an experience similar to that in Dallas County, or there would be no fiscal impact from adding the responsibility to the tax assessor-collector because of the allowable application fee.

Source Agencies: 601 Department of Transportation

LBB Staff: JK, SD, RR, JB, DLBa