

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 29, 2003

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

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

**IN RE: HB849** by Talton (Relating to the regulation of tow trucks, to the authority of a political subdivision of this state to regulate tow trucks, and to insurance for commercial motor vehicles; providing penalties.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB849, As Passed 2nd House: a positive impact of \$626,160 through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$421,980
2005	\$204,180
2006	\$204,180
2007	\$204,180
2008	\$204,180

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2004	\$421,980
2005	\$204,180
2006	\$204,180
2007	\$204,180
2008	\$204,180

Fiscal Analysis

The bill would allow operators of vehicle storage facilities to notify owners of cars towed to their facilities via electronic certified mail. The provisions of the bill increase the impoundment fee from \$10 to \$20. The provisions prohibit counties from regulating the lighting equipment on tow trucks. It increases tow truck registration fees from \$10 to \$25. Tow trucks must acquire on-hook cargo insurance. Governing bodies of political subdivisions are given the authority to regulate non-consent tows. TXDOT would post rate sheets on the Internet. The bill requires law enforcement agencies to send notification to the owner or lien holder of record for a vehicle that meets the definition of an "Abandoned Nuisance Vehicle" if it can be determined that the Vehicle Storage Facility has, or will be sending notification to the owner or lien holder of record.

**Methodology**

TXDOT anticipates that revenue generated as a result of increasing the annual vehicle fee by \$15 (from the current \$10 to the proposed \$25) and as a result of additional insurance filing fees are as follows: 7,986 vehicles X \$15 increase per vehicle = \$119,790 annually, 7,986 vehicles X \$15 X 25 percent Fleet Turnover = \$29,940 annually, and 2,178 carriers X 25 percent (current percent of carriers who make multiple annual insurance filings with fees) X \$100 filing fee = \$54,450 annually, and 2,178 carriers X \$100 insurance filing fee = \$217,800 for only fiscal year 2004.

Based on the analysis of TXDOT, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill takes effect September 1, 2003.

**Local Government Impact**

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

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JK, SD, JRO, RT, DE, KG