

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 4, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB775 by Averitt (Relating to the use of TexasOnline by state agencies.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB775, Committee Report 1st House, Substituted: a positive impact of \$216,000 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 bill would implement recommendation GG21 from the Comptroller's *e-Texas* report, *Limited Government, Unlimited Opportunity*. The bill amends Section 2054.111(d) and (g) and Section 2054.125(d) of the Government Code relating to the use of TexasOnline by state agencies. The bill would require a state agency that uses TexasOnline to assist the TexasOnline Authority with marketing efforts regarding the use of TexasOnline and require each state agency that maintains a generally accessible Internet site and that uses TexasOnline to include a link to TexasOnline on the front page of the site. The bill would include the renewal of a motor vehicle registration as a state service. The Act takes effect immediately if it receives a vote of two-thirds of all members of each house; otherwise it takes effect September 1, 2003.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$72,000
2005	\$144,000
2006	\$505,440
2007	\$505,440
2008	\$505,440

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> 6
2004	\$72,000	(\$180,000)
2005	\$144,000	(\$180,000)
2006	\$505,440	(\$180,000)
2007	\$505,440	(\$180,000)
2008	\$505,440	(\$180,000)

Fiscal Analysis

The Comptroller estimates the state would receive 10 percent of the \$2 fee charged by the

TexasOnline Authority for online vehicle registrations due to increased marketing efforts by the Texas Department of Transportation. Once the private vendor (Bearing Point) recoups their capital costs for TexasOnline, the state will begin receiving 50 percent of net revenues (in addition to the ten percent of the \$2 fee) beginning approximately in fiscal year 2006. The Texas Department of Transportation estimates 18 million renewal notices are mailed each fiscal year. The cost estimate to provide an additional insert in each of the renewal notices would be approximately \$0.01 each.

Methodology

Page 5 of Recommendation GG21 from the Comptroller's *e-Texas* report, *Limited Government, Unlimited Opportunity* provides the estimated gain to the General Revenue Fund but assumed 17 million vehicle renewals per year and estimated \$68,000 and \$136,000 gain to General Revenue for fiscal years 2004 and 2005 respectively and \$477,000 per fiscal year thereafter. For consistency, this fiscal note applied 18 million vehicle registrations per year resulting in a \$72,000 gain to the General Revenue Fund in fiscal year 2004, \$144,000 gain to the General Revenue Fund in fiscal year 2005, and \$505,400 gain to the General Revenue Fund in fiscal years 2006 through 2008. The significant gain in fiscal years 2006 through 2008 is due to the state receiving 50 percent of net revenues in fiscal year 2006. The Texas Department of Transportation provided an annual fiscal impact to the State Highway Fund 0006 of \$180,000 per fiscal year based on \$0.01 cost per renewal notice mailing and 18 million vehicle registrations.

Technology

No technology cost impacts were identified by the agencies providing fiscal note cost estimates.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 405 Department of Public Safety, 601 Department of Transportation

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