

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 30, 2003

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

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

**IN RE: SB1704** by Wentworth (Relating to the issuance of specially designed license plates by the Texas Department of Transportation.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to authorize the Texas Department of Transportation (TxDOT) to issue specially designed license plates on its own initiative or upon receipt of an application from a potential sponsor. The bill would establish requirements for applications and for designing new specialty license plates. The bill would also authorize TxDOT to allow new specialty license plates to be personalized and would provide that plates could be limited to particular persons or vehicles. The bill would require that a new design would be the property of TxDOT and would authorize TxDOT to reject and not create plate designs; license a trademark and pay a fee for a trademark license; and report to the Legislature regarding implementation of the bill. The bill would also require the Texas Transportation Commission (TTC) to adopt rules and TxDOT to issue forms necessary for the implementation of the bill.

The bill would require applicants to pay a \$30 annual fee in addition to other registration fees; that the first \$15,000 collected would be deposited to the credit of the State Highway Fund; that subsequent collections would also be deposited first to the credit of the State Highway Fund to cover an amount determined by the TTC for incremental production costs for each plate; and that the remainder would be deposited to the credit of a newly created General Revenue dedicated Specialty Plates account if the sponsor nominated a state agency to receive the funds. The bill would require that funds be deposited to the credit of the State Highway Fund if the sponsor did not nominate a state agency to receive the funds, or if there were no sponsor. The bill would also allow lost, stolen, or mutilated license plates to be replaced for \$6.30 and would require an owner to return the specially designed plates to TxDOT upon disposing of the related vehicle during the registration year.

For the purposes of this analysis, it is assumed that fees, and the disposition of those fees, created by the bill would only apply to license plates issued under the provisions of the bill. No significant fiscal implication is anticipated due the estimated number of license plate issuances provided by TxDOT. The bill would prohibit fees collected under the bill from being subject to Government Code provisions concerning appropriations of un-obligated balances to general revenue, or the use of dedicated revenue. The bill would take effect January 1, 2004.

#### Local Government Impact

No significant fiscal implication to units of local government is anticipated. According to TxDOT, counties would be required to process the initial issuance of new plates and operational procedures may impact counties if programming is not completed by January 1, 2004.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

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