

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

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

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB310 by Goolsby (Relating to the transfer of registration and removal of license plates for the sale or transfer of used vehicles.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB310, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from STATE HIGHWAY FUND 6
2008	\$14,508,535
2009	\$14,769,690
2010	\$15,035,545
2011	\$15,306,185
2012	\$15,581,695

Fiscal Analysis

The bill would amend the Transportation Code to specify that a seller or transferor of a motor vehicle who does not hold a general distinguishing number (GDN) may remove the vehicle's license plates and registration insignia upon the sale or transfer of the vehicle and either dispose of the plates in the manner specified by TxDOT or transfer the plates to another vehicle owned by the seller or transferor. The bill would require a dealer who holds a GDN to remove the plates and registration insignia from a vehicle purchased by or transferred to the dealer. The bill would specify that any period remaining on a registration would continue with the vehicle being sold or transferred and would not transfer with the license plates or registration validation insignia; and, to continue the remainder of the vehicle's registration period, the purchaser or transferee must file an application for transfer of title or other document required by TxDOT. The bill would authorize the transfer of plates from a sold or transferred vehicle to another vehicle titled in the seller or trasferor's name after the person obtains an

approval of an application for transfer by TxDOT, a new registration insignia, and pays a \$5 fee for the transfer of the plates and insignia. The bill would authorize a purchaser or transferor to apply for a temporary permit from TxDOT to move a vehicle purchased in a private-party transaction and without the plates and registration insignia. The bill would authorize TxDOT to enter into a system design contract to determine the feasibility and benefits of an electronic registration and title system to facilitate the registration and titling of vehicles under the provisions of the bill.

The bill would take effect on January 1, 2008.

Methodology

Based on the analysis and information provided by TxDOT, it is assumed revenue gains to the state would result from approximately 2.9 million transfers in fiscal year 2008, with a growth rate of 1.8 percent each year, for a fee of \$5. It is assumed all revenues collected from the transfer fees would be deposited to the State Highway Fund. Based on the analysis of TxDOT, it is assumed any additional costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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