

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

April 10, 2007

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

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

IN RE: HB2181 by Crabb (Relating to a late fee charged in connection with the inspection of a vehicle with an invalid inspection certificate.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2181, As Introduced: 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/ (Loss) from <i>CLEAN AIR ACCOUNT</i> 151	Probable Savings/(Cost) from <i>STATE HIGHWAY FUND</i> 6	Change in Number of State Employees from FY 2007
2008	\$7,486,168	(\$1,361,716)	25.0
2009	\$7,486,168	(\$1,018,038)	25.0
2010	\$7,486,168	(\$1,018,038)	25.0
2011	\$7,486,168	(\$1,028,277)	25.0
2012	\$7,486,168	(\$1,028,277)	25.0

Fiscal Analysis

The bill would amend the Transportation Code relating to a late fee charged in connection with the inspection of a vehicle with an invalid inspection certificate.

The bill would add Transportation Code, Chapter 548.509, Late Inspection Fee, which would add a late fee for each 30-day period or part of a 30-day period, following the date an inspection certificate ceased to be valid. The late fee would be an amount equal to one-twelfth of the fee provided for the certificate for each 30-day period or part of 30-day period the certificate was invalid. If a vehicle had no certificate, the late fee would be equal to the amount due for the new certificate. The bill also states that the person conducting the inspection shall assess and may retain an administrative fee equal to 50

percent of the late fee, or \$3, whichever was greater. The bill states the late fee collected under Transportation Code, Chapter 548.509 (a) shall be sent to the Department of Public Safety (DPS). The bill states each late fee collected by DPS under Transportation Code, Chapter 548.509 (a) would be sent to the Comptroller of Public Accounts for deposit to the credit of the Clean Air Account (General Revenue-Dedicated Clean Air Account No. 151).

The bill would take effect on September 1, 2007.

Methodology

DPS states that a 2004 parking lot survey conducted for the agency in emissions testing counties recorded about a 95 percent overall compliance rate for all types of inspections on Texas registered vehicles, while registration compliance was about 94 percent. The Department of Public Safety (DPS) revenue estimates are based on fiscal year 2004 data from 15 non-attainment counties with various vehicle inspection certificate fees. The agency states at this time only emissions testing stations in non-attainment counties have vehicle inspection data that is captured electronically. The bill states that the expired inspection certificate penalty is one twelfth of the assumed annual inspection fee (DPS based the revenue estimate a certification of \$39.50 per year) which at one twelfth would be \$3.29 per late inspection. Based on the \$3.29 penalty per expired inspection certificate, DPS estimates that late fee would generate \$7,486,168 in additional revenue per year for fiscal years 2008 through 2012 for the Clean Air Account (General Revenue-Dedicated Clean Air Account No. 151).

Based on the analysis of DPS, the agency states an additional 25 FTEs would be required in fiscal year 2008 to implement the provisions of the bill including assessing and collecting the late inspection fee, auditing of inspection stations collecting the fee, and collection of delinquent payments from inspection stations. The FTE positions include: one attorney, one legal assistant, 11 field auditors for collections, 6 book keeping clerks, 2 record technicians, 1 administrative assistant, and 3 clerks. DPS states that these additional FTEs are required because the bill would create a new program and fee collection requirement that DPS does not currently provide. In addition, DPS states that currently Texas does not have a single statewide electronic means of determining when a vehicle was last inspected. The agency states the initial implementation of the bill will have to be a manual paper based system that will rely upon the inspector's honesty in assessing and collecting the late fee when he/she observes that a vehicle is displaying an expired inspection certificate.

DPS also states that field compliance audits will be done by DPS vehicle inspection technicians who will visit each station quarterly to collect the forms and expired certificates to insure that the correct fees are being assessed, collected, and remitted. These auditors may also be tasked with any investigations and/or filing of charges necessary to maintain the integrity of the program. DPS is developing the Texas Automated Vehicle Inspection System (TAVIS) with Texas Online which will allow for the electronic capture of inspection data. However, this system will not be fully deployed until fall of 2007 and will require a full year's inspection cycle before there is sufficient information to calculate whether or not a vehicle has been presented late for inspection.

DPS estimates that additional office space will be required to accommodate the additional personnel at an estimated lease cost of \$25,046 per year in 2008 through 2012. Other operating expenses are estimated to be \$471,328 in fiscal year 2008, \$192,200 in fiscal years 2009 and 2010, and \$202,439 in fiscal years 2011 and 2012 for maintenance and repair of office machines and computer equipment, computer supplies, non-capital computer equipment, and furniture and equipment.

Technology

This analysis includes technology costs estimated for computers, printers, and enterprise software agreements totaling \$68,275 in 2008. Fiscal years 2009 through 2012 have a technology impact of \$3,725 per year for continued enterprise software agreements.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety

LBB Staff: JOB, SD, KJG, LG