

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 3, 2007

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

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

IN RE: HB2306 by Talton (Relating to certain requirements for the issuance and renewal of a salvage vehicle dealer license.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2306, Committee Report 1st House, Substituted: 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 (Cost) from WATER RESOURCE MANAGEMENT 153	Probable Revenue Gain from WATER RESOURCE MANAGEMENT 153
2008	(\$626,992)	\$1,282,200
2009	(\$337,742)	\$854,800
2010	(\$337,742)	\$854,800
2011	(\$337,742)	\$854,800
2012	(\$587,992)	\$1,282,200

Fiscal Year	Change in Number of State Employees from FY 2007
2008	6.0
2009	6.0
2010	6.0
2011	6.0
2012	6.0

Fiscal Analysis

The bill would amend the Occupations Code to require a salvage vehicle dealer, upon application for a salvage vehicle dealer license, to hold a current Storm Water Permit issued by the Texas Commission on Environmental Quality (TCEQ). The bill would also require salvage vehicle dealers to provide proof of a current Storm Water Permit upon renewal of a salvage vehicle dealer license. The bill would require the Texas Department of Transportation (TxDOT) to issue a temporary license to an applicant who meets the requirements for licensure other than providing proof of a current Storm Water Permit. The provisions of the bill would apply to an application for a license that is filed on or after January 1, 2008. The bill would require the Texas Transportation Commission to raise license application and renewal fees for salvage vehicle dealers to cover the costs of administering the changes in law made by the bill.

The bill would take effect on September 1, 2007.

Methodology

Based on the analysis of the TxDOT, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within existing resources and fee increases would not be necessary to cover the costs to the department.

Based on the analysis and information provided by TCEQ, it is assumed the agency would require six additional full-time-equivalent (FTE) positions to process an additional 4,274 permits and inspect approximately 300 of the affected facilities each year. Total salary costs for the new personnel are estimated to be \$251,178 each year, and employee benefits costs are estimated to be \$71,058 each year (28.29 percent of salaries). Total costs for computers and equipment, travel, training, professional fees, and other operating expenses are estimated to be \$626,992 in fiscal year 2008; \$337,742 in fiscal years 2009 through 2011; and \$587,992 in fiscal year 2012.

Based on the analysis of TCEQ, it is assumed the provisions of the bill would result in revenue gains to the General Revenue Dedicated - Water Resource Management Account No. 153 from the issuance of 4,274 Multi-Sector General Permit applications (\$100 fee every 5 years) and 4,274 annual permits (\$200 annual fee).

Technology

Technology costs associated with implementing the provisions of the bill are estimated to be \$9,000 in fiscal year 2008 for computer equipment.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation, 582 Commission on Environmental Quality

LBB Staff: JOB, KJG, MW, TG