

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 4, 2007

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

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

**IN RE: HB2908** by Gattis (Relating to the impoundment of a motor vehicle if operated without financial responsibility or a driver's license.), **As Introduced**

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

The bill would add Section 601.0535 to Chapter 601 of the Transportation Code to authorize a law enforcement officer to impound a motor vehicle if the operator does not have proof of financial responsibility and fails to display a driver's license. The bill provides requirements for the impounding officer and their agency and the paperwork they must provide the operator or owner of the vehicle; lists the conditions under which the impounding agency may release the vehicle to the owner and or operator; and specifies when the owner or operator would or would not have to pay the cost of the impoundment.

The bill would take effect September 1, 2007 and would apply only to an offense committed on or before that date.

Based on information provided by the Department of Public Safety, it is anticipated that costs associated with implementing provisions of the bill could be absorbed using existing resources.

#### Local Government Impact

The fiscal impact on municipal police departments and county sheriffs' offices would vary depending on the number of violations that occur and whether the peace officer chooses to impound the vehicle. The impact would be further affected by the number of impounds for which the impounding agency must pay if the owner is not required to. None of the municipal police departments contacted provided fiscal impact data; however, four of the counties contacted submitted fiscal information.

Dallas County (2000 U.S. census population of over 2.2 million) reports that the sheriff's office already has a policy of having vehicles towed if the driver is unable to provide a license. The county does not, therefore, anticipate any fiscal impact as a result of passage of the bill; however, the county states that the municipalities that operate the impound lots within the county would incur a revenue loss for those vehicles for which the driver/owner is not required to pay for the impound.

Harris County (population of over 3.4 million) estimates that based on the approximately 45,000 applicable citations written annually, if the county sheriff's office was to impound in each case, the increase in work hours would be the equivalent of 11 deputies. The county assumes that if the county were to impound in each situation, the sheriff's office would have to add 11 new deputies and 6 new clerks (to enter the data, process the releases, and write the reports) at a cost of close to \$1.2 million in fiscal year 2008, increasing up to \$1.3 million by fiscal year 2012. The county sheriff's office received less than \$180,000 in revenue in the 2006-07 biennium for handling 43,000 impounded and auctioned vehicles. The county anticipates that under the provisions of the bill, there would be revenue gains of \$56,300 annually.

The Nueces County (population of 313,645) Sheriff's Office does not anticipate any fiscal impact from passage of the bill.

The Travis County (population 812,280) Sheriff's Office reports that it issues about 120 citations per month (1,440 annually) for the offense of no driver's license or failure to provide proof of insurance. Assuming 100 percent of the vehicles were to be impounded and the county was to have to pay for 50 percent of those impounds, Travis County estimates an overall cost of \$108,000 in fiscal year 2008, increasing incrementally each year, up to \$131,275 by fiscal year 2012. Their assumption is based on towing fees of \$130 per tow and impounding fees of \$20 per day.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, KJG, DB