

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 11, 2007**

**TO:** Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

**IN RE: SB1786** by Carona (Relating to temporary cardboard tags on vehicles; providing penalties.),  
**As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1786, 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:**

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

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain from New GR Account - Temporary Tag Database</b>
2008	\$21,099,555
2009	\$21,479,350
2010	\$21,865,975
2011	\$22,259,565
2012	\$22,660,235

**Fiscal Analysis**

The bill would amend the Transportation Code to require the Texas Department of Transportation (TxDOT) to develop and maintain secure, real-time databases of information on vehicles to which dealers and converters have affixed temporary cardboard tags and on persons to whom temporary buyer's tags are issued to be managed by the vehicle titles and registration division of TxDOT. The bill would specify that the databases must allow law enforcement agencies to use the vehicle-specific number assigned to and displayed on the temporary tag to obtain information about the dealer or convertor that owns the vehicle and on persons to whom temporary tags are issued. The bill would require a vehicle dealer to charge a buyer a fee for a temporary cardboard tag of not more than \$5, as prescribed by TxDOT, to be sent to the Comptroller for deposit to the credit of a new "temporary tag database account" in the General Revenue Fund. The bill would specify that money in the account may only be appropriated to TxDOT to implement provisions of the bill.

The bill would establish criminal penalties for unauthorized production, reproduction, purchasing, selling, or displaying of a temporary tag. The bill would require TxDOT to adopt rules to implement the new temporary tag databases and procedures as soon as practicable after the effective date of the act.

The bill would take effect on September 1, 2007.

### **Methodology**

Based on the information and analysis provided by TxDOT, it is assumed that a revenue gain of approximately \$21.1 million would result from the issuance of an estimated 4.1 million buyer's temporary cardboard tags at \$5 each in fiscal year 2008, and that the number of transactions would increase by 1.8 percent each year thereafter. The fees would be deposited to the credit of a new Temporary Tag Database Account in the General Revenue Fund, pursuant to the provisions of the bill. It is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed with the agency's existing resources.

The bill would create a dedicated account in the General Revenue Fund that would be subject to funds consolidation review by the current Legislature.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, SD, KJG, MW, TG