

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 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.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB1786, 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 Revenue Gain from STATE HIGHWAY FUND 6
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 registration 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 the State Highway Fund.

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 the State Highway 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.

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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