

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 20, 2009

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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

IN RE: HB1749 by Bonnen (Relating to the issuance of marine conservation specialty license plates.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1749, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

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 |
|-------------|--|
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <i>State Highway Fund</i> 6 | Probable Revenue Gain from <i>Game, Fish, Water Safety Ac</i> 9 | Probable (Cost) from <i>Game, Fish, Water Safety Ac</i> 9 |
|-------------|---|--|---|
| 2010 | (\$15,750) | \$24,600 | (\$24,600) |
| 2011 | (\$15,750) | \$24,600 | (\$24,600) |
| 2012 | (\$15,750) | \$24,600 | (\$24,600) |
| 2013 | (\$15,750) | \$24,600 | (\$24,600) |
| 2014 | (\$15,750) | \$24,600 | (\$24,600) |

Fiscal Analysis

The bill would amend the Transportation Code relating to the issuance of marine conservation specialty license plates. Specialty license plates cost \$30; the Texas Department of Transportation (TxDOT) retains an \$8 administrative fee and the balance of \$22 is available to the Texas Parks and Wildlife Department (TPWD) in pass-through funding to support activities of the Coastal Conservation Association of Texas (CCA). Because a specialty license plate for the CCA already exists (Redfish License Plates), this analysis includes expected revenue from both the existing plate and an additional new plate that may be requested by the CCA.

Based on the analysis of TxDOT and TPWD, duties and responsibilities related to implementing provisions of the bill could be accomplished by utilizing existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Existing CCA Redfish Specialty License Plate analysis: According to TxDOT, the Redfish plate was created in fiscal year 2000, and after taking into account administrative reductions, the plate will have generated \$151,437 in revenue to the State Highway Fund No. 6 by the end of fiscal year 2009.

TxDOT indicates it had no statutory authority to pass-through these amounts to the CCA in prior years, and this analysis assumes the bill would authorize TPWD to serve as the administrative agency for the existing Redfish plate. This analysis also assumes and that receipts would be deposited to TPWD's existing General Revenue-Dedicated Game, Fish and Water Safety Account No. 9.

Accordingly, the table above includes annual receipts of \$18,000 (\$22 x 818 purchases) that would be deposited to the Game, Fish and Water Safety Account No. 9 rather than the State Highway Fund No. 6. Because this is an existing plate, TxDOT's administrative reduction of \$8 per sale has already been taken from this amount.

New CCA License Plate: Should the CCA request a design for a new plate, this analysis assumes 300 persons would purchase the new plate in fiscal year 2010 and each year thereafter. The new plate would generate an additional \$2,400 per fiscal year (\$8 x 300) in the State Highway Fund No. 6, with TxDOT required to pass through \$150 of this amount to county tax collectors (or 50 cents of each \$8 collected). Expected revenues to the Game, Fish and Water Safety Account No. 9 from sale of a new plate is anticipated to be \$6,600 per fiscal year (\$22 x 300).

Summary: Net revenues to the State Highway Fund No. 6 would be lost in the amount of \$15,750 per fiscal year (a decrease of \$18,000 in existing Redfish plate receipts, offset by the \$2,250 TxDOT is eligible to retain as the administrative fee from an additional new plate). Revenues to the Game, Fish and Water Safety Account No. 9 would increase by \$24,600 per fiscal year (\$18,000 in existing Redfish plate receipts and \$6,600 in receipts for an additional plate). Costs for the Game, Fish and Water Safety Account No. 9 reflect all available receipts being passed through to the CCA for marine conservation activities.

Local Government Impact

TxDOT would remit 50 cents from every purchase of an additional new plate to county tax collectors, which would be a little as \$150 per fiscal year statewide (50 cents x 300 purchases). Accordingly, no significant fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department, 304 Comptroller of Public Accounts, 601 Department of Transportation

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