

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 2, 2009

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

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

IN RE: HB2982 by Phillips (Relating to the fees for certain license plates.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2982, As Introduced: a negative impact of (\$20,637,000) 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	(\$9,208,000)
2011	(\$11,429,000)
2012	(\$12,572,000)
2013	(\$13,829,000)
2014	(\$15,212,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Highway Fund</i> 6
2010	(\$9,208,000)	\$9,208,000
2011	(\$11,429,000)	\$11,429,000
2012	(\$12,572,000)	\$12,572,000
2013	(\$13,829,000)	\$13,829,000
2014	(\$15,212,000)	\$15,212,000

Fiscal Analysis

The bill would amend various provisions of the Transportation Code related to fees for specialty license plates.

SECTION 1 of the bill would specify that the fee for a souvenir license plate issued before September 1, 2009, is \$40; and the fee for a souvenir license plate issued after that date would be an amount established by the Texas Transportation Commission (TTC) under Section 504.851 (c), Transportation Code, which is an amount necessary to recover certain contract costs and other direct and indirect costs to the Texas Department of Transportation (TxDOT).

SECTION 3 of the bill would specify that the \$30 fee for specialty license plates for general distribution does not apply to a specialty license plate marketed and sold by a private vendor at the request of a sponsor under other provisions of the bill.

SECTION 5 of the bill would specify that the fee for certain specialty license plates created after September 1, 2009, would be an amount established by TTC under Section 501.851, Transportation Code.

SECTION 6 of the bill would authorize sponsors of certain specialty license plates created before September 1, 2009, to contract with the private vendor authorized by TxDOT for the marketing and sale of the specialty license plates. The fee for the plates would be the amount established by TTC under Section 501.851(c), Transportation Code: fees remaining after the deduction of TxDOT administrative costs would be deposited to the credit of a specialty license plate fund, if the sponsor nominated a state agency to receive the funds; or otherwise to the State Highway Fund.

SECTION 7 of the bill would amend Section 504.851(j) to require the deposit to the State Highway Fund, instead of the General Revenue Fund, amounts received by TxDOT under the specialty license plate marketing contract after the deduction of TxDOT administrative costs, payments due to the vendor under the contract, and any other amounts due to the State Highway Fund or other funds as governed by other law.

SECTION 8: The bill would set the fee for the issuance of a personalized license plate issued before September 1, 2009, at \$40, unless the director [or TTC] adopts a higher fee by rule.

SECTION 9: The bill would repeal Section 504.101, Transportation Code, relating to the issuance of personalized license plates, which establishes a \$40 fee for the issuance personalized plates (\$30 for replacement plates) and dedicates \$1.25 of each fee for TxDOT administrative costs and requires the remainder of each fee to be deposited to the General Revenue Fund. The bill would also repeal Section 504.851 (m), which requires personalized and souvenir license plate fees collected in excess of amounts for TxDOT administrative costs and contract costs to be deposited to the General Revenue Fund.

Methodology

Based on the information and analysis provided by the Comptroller's office, it is assumed the provisions of the bill directing revenue from personalized license plate fees to the State Highway Fund, which are credited to the General Revenue Fund under current law, would result in a revenue loss to the General Revenue Fund and a corresponding gain to the State Highway Fund beginning in fiscal year 2010 and continuing each year thereafter. The revenue impact in the table above reflects the Comptroller's 2010-11 Biennial Revenue Estimate for personalized license plate fees (Object Code 3014) deposited to the General Revenue Fund.

Based on the analysis of the TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill would be absorbed within the agency's existing resources.

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, KJG, MW, TG