

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 22, 2009

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

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

IN RE: HB3278 by Phillips (Relating to the creation, organization, governance, duties, and functions of the Texas Department of Vehicles; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3278, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

The bill would re-appropriate in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to the Texas Department of Transportation for the 2008-09 biennium related to programs that would be transferred to the new Department of Vehicles.

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 (Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	(\$630,014)	4.0
2011	(\$630,014)	4.0
2012	(\$630,014)	4.0
2013	(\$630,014)	4.0
2014	(\$630,014)	4.0

Fiscal Analysis

The bill would create the Texas Department of Vehicles (DOV) and a board of the DOV consisting of nine members appointed by the Governor with the advice and consent of the Senate. The bill would require the transfer all powers, duties, obligations, rights of action, personnel, furniture, computers, other property and equipment, files, and related materials of the Motor Carrier Division (with the exception of Oversize/Overweight vehicle permitting and enforcement), Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority Office of the Texas Department of Transportation (TxDOT) to the DOV. All powers, duties, obligations, and rights of action of the Texas Transportation Commission (TTC) associated with the Motor Carrier Division, Motor Vehicle Division, Vehicle Titles and Registration Division, and the Automobile Burglary and Theft Prevention Authority Office of TxDOT would be transferred to the

board of the DOV. The bill would require the board of the DOV to hold regular meetings at least once a month. The bill would require the board to establish advisory committees for each department of the DOV. The bill would transfer and re-appropriate to the DOV in fiscal year 2010 any unobligated and unexpended balance of any appropriations made to TxDOT for the state fiscal biennium ending August 31, 2009 (2008-09 biennium) for the transferred programs.

The bill would take effect on September 1, 2009.

Methodology

Based on information provided by TxDOT and the Sunset Advisory Commission, it is assumed approximately 622 full-time-equivalent (FTE) positions and \$103.7 million would be transferred from TxDOT to the new DOV. It is also assumed the new DOV would require an additional four FTEs: one Executive Director (\$150,000 per year), two FTEs for executive management and and board support (\$209,600 total per year), and one auditor position (\$66,838 per year). Employee benefits costs associated with the four new FTEs is estimated to be \$121,833 per year (28.57% of annual salary). It is assumed the travel and support expenses for the nine-member board of the DOV would cost an estimated \$81,743 each year. It is assumed any unobligated and unexpended TxDOT appropriations from the 2008-09 state fiscal biennium would be re-appropriated to the DOV and would be used to cover any additional transition costs.

It is assumed any appropriations transferred from TxDOT and any new appropriations made to the new DOV would be made from the State Highway Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation, 116 Sunset Advisory Commission, 405 Department of Public Safety

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