

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: HB3457 by Branch (Relating to the compulsory inspection of motor vehicles; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3457, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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 Gain/(Loss) from <i>Texas Mobility Fund</i> 365 |
|-------------|--|
| 2010 | \$4,905,000 |
| 2011 | \$4,408,000 |
| 2012 | \$5,003,000 |
| 2013 | \$4,496,000 |
| 2014 | \$5,103,000 |

Fiscal Analysis

The bill would amend Chapter 548 of the Transportation Code to state that the Texas Commission on Environmental Quality may impose a \$500 administrative penalty for each violation of the statutory requirement for a compulsory inspection of a motor vehicle. The bill states an inspection station and inspectors who violate this provision are liable for a civil penalty between \$250 and \$500 for each violation. The bill changes the motor vehicle inspector's first annual certification application fee from \$10 to \$250 and from \$10 to \$250 for each subsequent two-year period. The bill changes the motor vehicle inspection stations' first annual certification application fee from \$30 to \$500 and from \$30 to \$500 for each subsequent two-year period. The bill also requires each application to be accompanied by a \$500 surety bond. The bill would take effect on September 1, 2009.

Methodology

The Department of Public Safety (DPS) states there are 9,379 active certified inspection stations and 30,654 active vehicle inspectors. The bill addresses both original and renewal applications for inspection stations and inspectors. DPS was unable to determine the number of original applications for inspection stations and inspectors. The revenue estimate is focused on inspection stations and inspector renewals, since the majority of the fees generated for the program are from this population.

The Comptroller of Public Accounts (CPA) assumed all inspection stations would remain in the program despite the fee increase, but the number of inspectors would decline by one-third in response to the higher fee. The CPA estimates the higher fees would bring the number of inspectors per station from approximately 3.3 today to 2.2. The CPA also assume a growth rate of 2 percent for the out years and all inspection fees are deposited to the credit of the Texas Mobility Fund 0365. The CPA also stated since the provisions of the bill regarding the administrative and civil penalties are permissive and the number of violations cannot be determined, the revenue from any administrative penalties imposed cannot be determined and are not included in this estimate.

The Commission on Environmental Quality anticipates no significant fiscal impact to their agency.

Local Government Impact

The bill would permit a district or county attorney to file a civil suit in the county in which a violation occurs to recover a penalty or a bond on behalf of the state. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality

LBB Staff: JOB, KJG, LG, TP