

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 17, 2009

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

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

IN RE: SB294 by Hinojosa (Relating to optional fees on the registration of a vehicle imposed by a county.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB294, Committee Report 2nd 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 Gain from State Highway Fund 6	Probable Revenue Gain from County Funds
2010	\$3,304,304	\$360,126,460
2011	\$3,390,216	\$369,489,753
2012	\$3,478,362	\$379,096,469
2013	\$3,568,799	\$388,952,986
2014	\$3,661,588	\$399,065,757

Fiscal Analysis

The bill would amend the Transportation Code to increase from \$10 to \$15 the maximum amount of a fee to be deposited to the County Road and Bridge Fund that a county commissioners court may impose as an additional fee for registering a vehicle in the county.

The bill would also authorize a county commissioners court of certain counties to impose an additional fee for registering a vehicle in the county to be used for transportation projects or pledged by the county or a regional mobility authority of the county or other transportation governmental entity under contract with the county to secure the payment of bonds or other obligations associated with the development of long-term transportation projects. The fee could not exceed \$50. The total amount of fees imposed may not exceed \$65. Under current statute, only certain counties may impose this additional fee and the maximum is \$10. Under the provisions of the bill the applicable counties would

be narrowed further to apply only to a county that borders Mexico, has a population of more than 150,000 in which the largest municipality has a population of less than 300,000, and that does not border the Gulf of Mexico.

The bill would take immediate effect upon receiving a two-thirds vote of all members elected to each house as provided by Section 39, Article 3, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2009. Certain provisions of the bill would take effect only if Senate Bill 855 or similar legislation providing for or authorizing the imposition of a county, municipal, or other local vehicle registration fee for transportation or mobility projects is enacted.

Methodology

According to TxDOT, 225 counties currently impose an option county road and bridge fee of \$10; 16 counties currently impose a fee of \$5; and the remaining 13 counties do not impose the optional fee. Based on the analysis of TxDOT, it is assumed that the participating counties would increase the optional fee by \$5 beginning in fiscal year 2010 and the non-participating counties would continue to not impose the fee. Based on information provided by TxDOT, it is assumed the increased fee would be imposed on approximately 22 million vehicle registrations beginning in fiscal year 2010 for a total revenue gain of \$110.1 million, with 97 percent deposited to county road and bridge funds and 3 percent deposited to the State Highway Fund. It is assumed the number of vehicle registrations and corresponding revenues would increase by 2.6 percent each year.

According to TxDOT, the bill would allow only Hidalgo and Webb counties to impose an additional fee of up to \$50 for registering a vehicle in the county, which would be deposited to a special account in the counties' general funds. For the purposes of this analysis, it is assumed these counties would implement a fee of \$25. Based on information provided by TxDOT, it is assumed that the fees would be imposed on 613,804 registrations beginning in fiscal year 2010. Hidalgo County currently imposes an optional fee for transportation projects of \$10; therefore, this analysis shows only the \$15 increase from the current fee to the fee under provisions of the bill. Hidalgo County would experience a revenue gain of a little more than \$7.2 million in fiscal year 2010 and Webb County would experience a revenue gain of almost \$4.1 million in fiscal year 2010. It is assumed the number of vehicle registrations and corresponding revenues would increase by 2.6 percent each year.

Local Government Impact

The potential revenue gain to each applicable county regarding the county road and bridge fee would vary depending on the number of vehicles registered. The total potential revenue gain from the fee to the applicable counties in the aggregate is shown in the tables above.

The revenue gain from the additional fee for transportation projects for Hidalgo County would be \$38.1 million for the five-year period beginning in fiscal year 2010. The revenue gain from the additional fee for Webb County would be \$21.6 million for the same five-year period.

Source Agencies: 601 Department of Transportation
LBB Staff: JOB, KJG, DB, MW, TG