

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 7, 2009

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB294, 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 Gain from State Highway Fund 6	Probable Revenue Gain from County Funds
2010	\$3,304,304	\$603,318,765
2011	\$3,390,216	\$619,005,055
2012	\$3,478,362	\$635,099,189
2013	\$3,568,799	\$651,611,771
2014	\$3,661,588	\$668,553,680

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 any county 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. Under current statute, only certain counties may impose this additional fee and the maximum is \$10.

The total additional fees a county may impose could not exceed \$65.

The bill would authorize the use of the additional fee for certain public transportation purposes or services provided by urban and rural transportation districts only if a constitutional amendment proposed by the Eighty-first Legislature, Regular Session, 2009, allowing the expenditure of vehicle registration fees to construct, maintain, and operate passenger rail, transit, and freight rail is approved by the voters.

The Texas Department of Transportation (TxDOT) would be required to send the fees collected to the county for deposit into a special account, whereas under current statute the department or the county sends the fees to the regional mobility authority of the county. The department would be required to designate the governmental entities that serve primarily a transportation function and with which counties may contract using the fees collected for transportation projects.

Except as otherwise provided by the bill, 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.

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.

The bill would allow 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 63 large counties (over 50,000 vehicle registrations per year) would impose an additional fee of \$25; 46 medium-sized counties (25,000 - 50,000 vehicle registrations) would impose a fee of \$10; and approximately half (73) of small counties (less than 25,000 vehicle registrations) would impose a fee of \$5. Based on information provided by TxDOT, it is assumed that beginning in fiscal year 2010 the fees would be imposed on 19 million registrations in large counties, 1.7 million registrations in medium-sized counties, and 776,880 registrations in small counties for a total revenue gain to counties of \$496.5 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 county would vary depending on the number of vehicles registered. The total potential revenue gain to counties in the aggregate is shown in the tables above.

Source Agencies: 601 Department of Transportation

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