

BILL ANALYSIS

C.S.H.B. 3413
By: Darby
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 81st Texas Legislature created the Texas Department of Motor Vehicles (TxDMV) to handle certain motor vehicle functions previously handled by the Texas Department of Transportation. TxDMV has operated as a separate agency for over a year. In that time, needed statutory changes have been identified regarding the department's property and revenue. Responding to those needs, C.S.H.B. 3413 provides TxDMV with express authority regarding the acquisition and disposition of property, creates a dedicated account for the department, and addresses amounts to be retained and deposited in the account from revenue collected or received by the department.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3413 amends the Transportation Code to authorize the Texas Department of Motor Vehicles (TxDMV) to acquire by purchase, lease, gift, or any other manner property or an interest in property that is necessary or convenient to the exercise of the powers, rights, privileges, or functions of TxDMV and to sell or otherwise dispose of property or an interest in property that is not necessary or convenient to the exercise of the department's powers, rights, privileges, or functions.

C.S.H.B. 3413 creates the TxDMV dedicated account in the treasury outside the general revenue fund and the state highway fund. The bill requires money appropriated to TxDMV, money allocated to pay accounting costs and related liabilities of the account, and interest earned on money in the account to be deposited to the credit of the account for exclusive use by TxDMV to support the department's operations and the administration and enforcement of the department's functions. The bill prohibits money appropriated to TxDMV for Automobile Burglary and Theft Prevention Authority purposes from being deposited into the account.

C.S.H.B. 3413 requires the board of TxDMV, not later than September 1 of each year, to certify the sum of the following, in addition to the amount of the department's operating expenses for the first quarter of the previous year: the sum of the unexpended amount of revenue received from donations, grants, loans, reimbursements, settlement or judgment payments, appropriations, or payments or royalties for the sale, license, or lease of an interest in TxDMV property and the interest on that revenue; and revenue received from fees collected under provisions of law relating to additional fees for reflectorized license plates and the automated registration and title system and the interest earned on that revenue. The bill requires any unexpended and unencumbered money from the money certified by the board under these provisions to remain available to TxDMV and authorizes TxDMV to use the money for any department purpose.

C.S.H.B. 3413 specifies that to the extent the General Appropriations Act makes an

appropriation of an unexpended balance to TxDMV for the second year of a biennium, the bill's provisions relating to unexpended and unencumbered money are prohibited from being construed to eliminate the appropriation. The bill requires any unexpended and unencumbered money that is not certified under the bill's provisions to be deposited to the credit of the state highway fund on September 1 of each even-numbered year. The bill specifies that provisions of law relating to the appropriation of unobligated fund balances to the general revenue fund and to the use of dedicated revenue do not apply to the TxDMV dedicated account created by the bill's provisions.

C.S.H.B. 3413, in provisions relating to revenue, requires all fees, funds, penalties, and other revenue collected or received by TxDMV, other than money appropriated to TxDMV for Automobile Burglary and Theft Prevention Authority purposes, to be deposited to the credit of the TxDMV dedicated account established under the bill's provisions. The bill requires, except as provided by the bill's provisions relating to a conflict with another provision of law or to money certified by the board of TxDMV and unless otherwise dedicated by the Texas Constitution, the following sources of revenue to be retained in the TxDMV dedicated account and provides that such revenue may be appropriated only to TxDMV:

- 10 percent of all fees, funds, penalties, or other revenue collected or received by TxDMV relating to motor vehicle registration activities, other than additional fees for reflectorized license plates or the automated registration and title system, provided that constitutionally dedicated motor vehicle registration fees are used only for the purposes prescribed by the Texas Constitution;
- all fees, funds, penalties, or other revenue collected or received by TxDMV relating to motor vehicle titling; license plates, including additional fees for reflectorized license plates or the automated registration and title system; motor vehicle sales and distribution; motor carriers; household goods movers; or any other industry or function for which TxDMV may collect revenue; and
- any other revenue received by TxDMV from another source, including donations, grants, loans, reimbursements, settlement or judgment payments, appropriations, including an appropriation of revenue deposited in the TxDMV dedicated account established under the bill's provisions, or payments or royalties for the sale, license, or lease of an interest in TxDMV property.

C.S.H.B. 3413 specifies that in the event of a conflict between the bill's provisions and a provision of law, including a final court order, relating to the distribution of revenue, the other provision of law controls to the extent that the other provision specifies a dollar or percentage amount to which TxDMV or another governmental entity is entitled. The bill provides that following the determination of the amount to be retained and deposited under the bill's provisions relating to revenue, the remaining balance is required to be deposited to the credit of the account or fund authorized by other applicable law. The bill requires the comptroller of public accounts to submit to the Legislative Budget Board a monthly report regarding the revenue collected by TxDMV under the bill's provisions relating to revenue. The bill requires the report to contain the following: an itemized accounting of the amounts deposited to the credit of the TxDMV dedicated account established under the bill's provisions and any other account or fund authorized by applicable law; and a determination regarding the dedicated and nondedicated amounts deposited to the credit of the state highway fund. The bill specifies that its provisions relating to revenue take effect September 1, 2013.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3413 differs from the original by including in the Texas Department of Motor Vehicles

(TxDMV) dedicated account created under the bill's provisions money appropriated to TxDMV, money allocated to pay accounting costs and related liabilities of the account, and interest earned on money in the account, whereas the original includes in the account money appropriated to TxDMV and interest earned on money in the account.

C.S.H.B. 3413 differs from the original by requiring the board of TxDMV to certify the sum of certain revenues, including fee revenue, revenue from donations, grants, and loans, the interest on that revenue, and the amount of the department's operating expenses for the first quarter of the previous fiscal year, whereas the original requires the board to certify forward an amount equal to the previous fiscal year's first quarter operating expenses from any unexpended funds appropriated or provided to TxDMV for the department's operations. The substitute differs from the original by requiring any unexpended and unencumbered money from the money certified by the board to remain available to TxDMV and authorizing TxDMV to use the money for any department purpose, whereas the original requires any unexpended amounts from the unexpended funds certified forward to be carried forward to the next fiscal year and used for any lawful purpose. The substitute contains a provision not included in the original relating to an appropriation of an unexpended balance to TxDMV for the second year of a biennium. The substitute differs from the original by requiring any unexpended and unencumbered money that is not certified by the board to be deposited to the credit of the state highway fund on September 1 of each even-numbered year, whereas the original requires any unexpended funds that the board has not certified forward to revert to the state highway fund on September 1 of each year.

C.S.H.B. 3413 differs from the original by requiring appropriations, including an appropriation of revenue deposited in the TxDMV dedicated account established by its provisions, to be retained in that account, whereas the original requires appropriations to be retained in the account. The substitute differs from the original by requiring the comptroller of public accounts to submit to the Legislative Budget Board a monthly report regarding the revenue collected by TxDMV under the bill's provisions relating to revenue, whereas the original requires the comptroller to submit to the Legislative Budget Board a report regarding the revenue.

C.S.H.B. 3413 differs from the original in nonsubstantive ways reflective of certain bill drafting conventions.