

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 6, 2011**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Defense & Veterans' Affairs

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

**IN RE: HB657** by Lewis (Relating to honorary license plates for certain disabled veterans.), **As Introduced**

**The bill would result in an indeterminate negative revenue impact to the State depending on the number of veterans who might qualify and purchase the new specialty license plate or general issue license plate without payment of the regular vehicle registration fees.**

The bill would amend Subchapter C, Chapter 504, of the Transportation Code to require the Department of Motor Vehicles (DMV) to issue specialty license plates for veterans of the United States Armed Forces who have service-connected disabilities that do not meet the qualifications for eligibility for Disabled Veteran specialty plates established under Section 504.202. The bill would establish a \$3 fee for the first set of the new specialty plates and would authorize an eligible individual to register one vehicle without payment of any fee other than the fee for the specialty plates. The bill would authorize an individual who is eligible for the new specialty plate to receive a general issue plate under the same conditions for the issuance of the new specialty plate (payment of \$3 fee only).

Information provided by DMV indicates that the average registration fee for a passenger vehicle or light commercial vehicle is \$50.75 per year, of which the State retains 67 percent and the counties retain 33 percent. Additional fees paid at the time of registration include a registration automation fee (\$1), a fee for certain Department of Public Safety programs (\$1), and an optional county road and bridge fee of up to \$10 in participating counties (3 percent of which is remitted to the State). Under the provisions of the bill, an eligible individual would be authorized to register a vehicle with the new specialty plate or a general issue plate by paying a fee of \$3 and without payment of any other fee that would be assessed at the time of registration under current law.

Based on the analysis of DMV and the Comptroller's office, it is assumed the provisions of the bill would result a net revenue loss to the State from fees that would have otherwise been collected at the time of registration of a vehicle by an eligible veteran under the provisions of the bill. The amount of lost revenue would depend on the number of veterans who might qualify and register a vehicle without payment of the regular registration fees under the provisions of the bill.

Based on the analysis of DMV, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

The bill would take effect on September 1, 2011.

**Local Government Impact**

The bill would result in an indeterminate negative revenue impact to counties depending on the number of veterans who might qualify and purchase the new specialty license plate without payment of the regular vehicle registration fee.

**Source Agencies:** 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

**LBB Staff:** JOB, KM, MW, TG