

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 18, 2011

TO: Honorable Mike Hamilton, Chair, House Committee on Licensing & Administrative Procedures

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

IN RE: HB1691 by Flynn (Relating to the licensing and regulation of motor vehicle towing, booting, and storage.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1691, As Introduced: a negative impact of (\$1,099,444) through the biennium ending August 31, 2013.

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
2012	(\$549,722)
2013	(\$549,722)
2014	(\$549,722)
2015	(\$549,722)
2016	(\$549,722)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2012	(\$549,722)
2013	(\$549,722)
2014	(\$549,722)
2015	(\$549,722)
2016	(\$549,722)

Fiscal Analysis

The bill would amend the Occupations code relating to the licensing and regulation of motor vehicle towing, booting and storage.

Section 2 of the bill would require the Commission of Licensing and Regulation to issue a warning letter if the commission reasonably believes that the person has violated this chapter, a rule adopted under this chapter, or a rule or order of the executive director or commission.

The bill would take effect September 1, 2011.

Methodology

Information and estimates provided by the Department of Licensing and Regulation (TDLR) were used as the basis of developing this analysis. Based on the estimates of the TDLR, this analysis assumes that the total estimated administrative penalty collections each year would total \$560,941. TDLR estimates that the number of repeat violators that would be assessed an administrative penalty would match the current recidivism rate of 2 percent. TDLR assumes the total penalties collected each year would be the recidivism rate multiplied by the number of administrative penalties currently collected (2 percent of \$560,941 = \$11,219), totaling the new administrative penalties amount. Subtracting penalties attributable to recidivists from the estimated total administrative penalties that would have been collected each year, would result in an estimated loss in administrative penalties at (\$549,722) each year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

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