

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: **HB2357** by Pickett (Relating to motor vehicles; providing penalties.), **Committee Report 2nd House, Substituted**

Implementing the provisions of the bill would result in an indeterminate revenue impact to the state due to changes made by the bill impacting the collection and disposition of fees by electronic funds transfer, allowable fee amounts, and service charges.

The bill would amend the Transportation Code relating to titling and registration of motor vehicles, including penalties. The bill would amend and reorganize Chapters 501, 502, 504, and 520 and would authorize the board of the Texas Department of Motor Vehicles (DMV) to implement, by rule, an electronic titling system.

The bill would establish procedures for the recording of documents, the collection and disposition of fees by electronic funds transfer, and allowable fee amounts and service charges.

The bill would repeal sections of the Transportation Code, recodify new and amended sections, and otherwise adopt conforming language. Sections of the Transportation Code that would be repealed would include: Sections 501.026, 501.075, 501.094, 501.133, 501.134(e)(f)(i), Sections 502.0074, 502.0075, 502.008, 502.104, 502.105, 502.1535, 502.154, 502.175, 502.177, 502.206, 502.271, 502.2862, 502.2971, 502.403, 502.405, 502.407(c), 502.412(c), 502.452, 502.453, 502.455, 502.456, Sections 504.201(h), 504.316(b), 504.401(b), 504.402(b), 504.403(b), 504.404(b), 504.405(b), 504.502(j), 504.506(f), 504.507(c), 504.508(d), 504.624, 504.629, 504.634, 504.643, 504.649, 504.650, 504.653, 504.655, 504.701, 504.702(c), Sections 520.013, 520.034, Headings to Subchapters C and D in Chapter 520, and Section 681.005(2).

The bill would require the DMV to post a complete schedule of registration fees on the Internet, and to accept electronic payments for registration fees, including transaction fees, or service charges billed to the department by vendors providing services in connection with electronic payments. The bill also would require the removal of the registration insignia and each license plate on any motor vehicle that was sold or transferred. The bill would allow a purchaser to obtain a temporary transit permit from the DMV before driving on a public road.

The bill would require the DMV to consult with the Department of Public Safety (DPS) to conduct a study on the consolidation of similar information collected separately by each agency to be completed no later than September 1, 2012. Based on the analysis of DPS and DMV, it is assumed that duties and responsibilities associated with implementing the provisions of the bill related to conducting the study could be covered with existing resources.

The bill would require revenue accruing to a specialty license plate vendor that ceased operation to be deposited to the credit of the General Revenue Fund. Based on the analysis of the Comptroller of Public Accounts (CPA), DMV, and the Texas Commission on Environmental Quality (TCEQ), implementing the provisions of the bill would result in an indeterminate revenue impact to the state due to changes made by the bill impacting the collection and disposition of fees by electronic funds transfer, allowable fee amounts, and service charges.

Regarding all other duties and responsibilities associated with implementing the provisions of the bill, it is assumed that existing resources would suffice to cover such costs based on the analysis of the DMV, DPS, and TCEQ.

The bill would take effect January 1, 2012.

Local Government Impact

Based on the analysis of the CPA, DMV, and TCEQ it is assumed that implementing the provisions of the bill would result in an indeterminate revenue impact to counties and local government entities due to changes made by the bill impacting the collection and disposition of fees by electronic funds transfer, allowable fee amounts, and service charges.

Source Agencies: 405 Department of Public Safety, 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles

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