

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 5, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

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

IN RE: HB2917 by McClendon (Relating to the optional county fee for the county road and bridge fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2917, As Introduced: an impact of \$0 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	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from State Highway Fund 6	Probable Revenue Gain from Counties
2012	\$4,172,072	\$134,896,981
2013	\$6,351,979	\$205,380,651
2014	\$6,447,259	\$208,461,361
2015	\$6,543,968	\$211,588,283
2016	\$6,642,127	\$214,762,103

Fiscal Analysis

The bill would amend Section 502.172, Transportation Code, to increase from \$10 to \$20 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 take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2011.

Methodology

According to the Department of Motor Vehicles (DMV), 231 counties currently impose an optional county road and bridge fee of \$10; 11 counties currently impose a fee of \$5; and the remaining 12

counties do not impose the optional fee. Based on the information provided by DMV and for the purposes of this analysis, it is assumed that beginning in fiscal year 2012 (1) the participating counties currently charging \$10 would increase the optional fee by \$10, (2) counties currently charging \$5 would increase the optional fee by \$5, and (3) the non-participating counties would continue to not impose the fee. Also, pursuant to Section 502.172 (c), Transportation Code, it is assumed an increase in the optional fee imposed under the provisions of the bill would take effect on January 1, 2012, and apply to vehicle registration transactions processed on or after that date in fiscal year 2012. Based on information provided by DMV, it is assumed the increased fees would be imposed on approximately 13.9 million vehicle registrations beginning in January 2012 for a total revenue gain of \$110.1 million in fiscal year 2012 and approximately 21.2 million vehicles in fiscal year 2013 for a total revenue gain \$211.7 million in fiscal year 2013. Based on the analysis of DMV, it is assumed the number of applicable vehicle registrations and corresponding revenues would increase by 1.5 percent each year. Pursuant to Section 502.103, Transportation Code, 3 percent of the collections from the optional fee would be sent to DMV (deposited to the State Highway Fund) and 97 percent would be credited to the county road and bridge funds.

Local Government Impact

The potential revenue gain to a participating county would vary depending on any incremental increase in the amount of the optional fee charged by the county and the number of vehicles registered in the county. The estimated potential revenue gain to counties in the aggregate is shown in the tables above.

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

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