

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

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

**March 22, 2011**

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

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

**IN RE: HB3296** by Harper-Brown (Relating to transferring the motor vehicle inspection program from the Texas Department of Public Safety to the Texas Department of Motor Vehicles.),  
**As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to transfer the various functions of the Motor Vehicle Inspection Program from the Department of Public Safety (DPS) to the Department of Motor Vehicles (DMV). The bill would eliminate the current practice of issuing inspection stickers for motor vehicles and require the DMV to issue proof of motor vehicle inspections through an electronic inspection authorization. The bill would amend the Health and Safety Code to transfer certain functions of the Vehicle Emissions Inspection and Maintenance Program from the Texas Commission on Environmental Quality (TCEQ) and DPS to the DMV. The bill would transfer certain functions of the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program from TCEQ to the DMV. The bill would also amend certain functions of the Motor Vehicle Inspection program and the Vehicle Emissions Inspection and Maintenance Program regarding fees and practices. The bill would take effect September 1, 2011. This analysis assumes the appropriate funding for functions transferred from TCEQ and DPS to the DMV would be transferred as well. Based on the information provided by DPS, DMV, and TCEQ, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished within existing resources.

**Local Government Impact**

Local governments responded that the bill was not anticipated to have a significant fiscal impact.

The bill would amend Section 382.202(d) of Health and Safety Code to allow the DMV to require fleets in certain counties to be inspected annually, rather than biennially. Local governments responded that they currently conduct annual inspections on vehicles; however a fleet which currently conducts biennial inspections would face increased costs associated with more frequent inspections.

The bill would amend to Section 548.501(b) of Transportation Code so that fees for annual registration inspections would be determined by the DMV. The City of Austin noted that costs would vary depending on whether the new fee would represent and increase or decrease from the existing fee.

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

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