

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 12, 2011

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

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

IN RE: HB3723 by Guillen (Relating to optional fees on the registration of a vehicle imposed by a county.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 502.1725 of the Transportation Code to grant a county that borders the United Mexican States; that has a population of more than 60,000; and in which the largest municipality has a population of less than 300,000 to charge an additional optional county fee for transportation projects (Regional Mobility Fee) that a commissioners court of a county would be authorized to impose for the registration of a vehicle in the county in an amount not to exceed \$10. Based on the applicability criteria, the provisions of the bill would include Starr County and Webb County. Under current statute, Hidalgo County and Cameron County qualify to collect the fee.

The Texas Department of Motor Vehicles (DMV) would be required to collect the long-term transportation projects fee on vehicles registered with the department and remit 100 percent of the fees to the counties. DMV reported there would be costs for program changes to the department's automated systems; revisions to publications; updating the department's Website; and required notifications. Based on the analysis of DMV, it is assumed the costs could be reasonably absorbed within the agency's existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2011.

Local Government Impact

The potential revenue gain to Starr County and Webb County for the authority to charge a fee not to exceed \$10 for the optional county fee for transportation projects (Regional Mobility Fee) would vary depending on the amount imposed and the number of vehicles registered in the county. Counties would retain 100 percent of the fee revenue for deposit into a special account in the county's general fund to be used only to contract with the regional mobility authority of the county to promote and maintain a public purpose that involves funding long-term transportation projects in the county. The fee imposed may take effect only on January 1 of a year.

The analysis of DMV assumes both Starr and Webb Counties would impose a fee of \$10. Calculations include an annual growth rate of 1.5 percent in number of registered vehicles.

Starr County currently does not impose on optional fee. According to DMV records, Starr County had a total of 43,279 registered vehicles (less exempt vehicles) in fiscal year (FY) 2010 to which the fee would apply. In FY 2012, there would be 44,587 registered vehicles with revenue resulting in a revenue gain of \$445,870 in FY 2012 and a total revenue gain of \$2.3 million for FY 2012 to 2016.

Webb County currently does not impose on optional fee. According to DMV records, Webb County had a total of 155,469 registered vehicles (less exempt vehicles) in FY 2010 to which the fee would apply. In FY 2012, there would be 160,168 registered vehicles with a revenue gain of \$1.6 million in FY 2012 and a total revenue gain of \$8.3 million for FY 2012 to 2016.

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

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