

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 8, 2011

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

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

IN RE: SB257 by Carona (Relating to the issuance of "Choose Life" license plates and the creation of the Choose Life account in the general revenue fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB257, As Engrossed: 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 <i>State Highway Fund</i> 6	Probable Revenue Gain from <i>Counties</i>	Probable Revenue Gain from <i>New General Revenue Dedicated Choose Life Account</i>
2012	\$2,250	\$150	\$6,600
2013	\$2,250	\$150	\$6,600
2014	\$2,250	\$150	\$6,600
2015	\$2,250	\$150	\$6,600
2016	\$2,250	\$150	\$6,600

Fiscal Analysis

The bill would amend the Transportation Code to require the Texas Department of Motor Vehicles (DMV) to issue "Choose Life" specialty license plates.

The bill would require the fee for issuance of the license plates, after deduction for DMV's administrative costs, to be deposited to the credit of a new Choose Life account in the General Revenue Fund. The bill would require the Attorney General to administer the account.

The bill would specify that money in the account could only be spent to make grants to an eligible organization and defray the costs of administering the account.

The bill would require the Attorney General by rule to establish guidelines for the expenditures; report on expenditure compliance; and appoint a seven-member advisory committee to assist in developing rules, reviewing grant applications, and making grant recommendations.

The bill would take effect on September 1, 2011.

Methodology

Based on the information and analysis provided by DMV, this analysis assumes 300 of the new specialty license plates would be issued each year at a fee of \$30 each of which \$7.50 would be deposited to the State Highway Fund for DMV administrative expenses; \$0.50 would be retained by the counties; and \$22 would be deposited to the new Choose Life Account in the General Revenue Fund.

Based on the analysis of DMV and the Office of the Attorney General, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agencies' existing resources.

Note: The limitations for issuance of specialty license plates for general distribution set forth in Section 504.702 of the Transportation Code require a request for manufacture be filed with DMV before the fifth anniversary of the effective date of the law that authorizes the issuance of the specialty license plates. The request must be accompanied either by a deposit of \$8,000 or applications for issuance of at least 1,900 sets of license plates plus the fees for issuance of the plates. Money deposited with DMV must be returned to the person making the deposit only if 1,900 sets of plates are issued or presold. If the request for manufacture is not made within the prescribed time, the law that authorized the issuance of the specialized license plates expires. For the purposes of this analysis, it is assumed a sponsoring organization would pay the refundable deposit.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JOB, KJG, CL, MW, TG, RAN