

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 26, 2011

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

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

IN RE: SB1466 by Lucio (Relating to the powers and duties of the Vehicle and Watercraft Crime Prevention Authority and to the creation of the vehicle and watercraft crime prevention account.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1466, 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/(Loss) from <i>General Revenue Fund</i> 1 | Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1 | Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated-Vehicle and Watercraft Crime Prevention Account</i> | Probable Savings/ (Cost) from <i>New General Revenue Dedicated-Vehicle and Watercraft Crime Prevention Account</i> |
|-------------|--|--|--|--|
| 2012 | \$454,000 | (\$454,000) | \$28,112,000 | (\$28,112,000) |
| 2013 | \$454,000 | (\$454,000) | \$28,793,000 | (\$28,793,000) |
| 2014 | \$454,000 | (\$454,000) | \$29,475,000 | (\$29,475,000) |
| 2015 | \$454,000 | (\$454,000) | \$30,156,000 | (\$30,156,000) |
| 2016 | \$454,000 | (\$454,000) | \$30,838,000 | (\$30,838,000) |

Fiscal Analysis

The bill would rename the Automobile Burglary and Theft Prevention Authority (ABTPA) the Vehicle and Watercraft Crime Prevention Authority (VWCPA) and make conforming changes, including defining "economic watercraft theft"; "watercraft"; "watercraft years of insurance"; and expanding the definition of "motor vehicle" to include an all-terrain vehicle, motorcycle, motor-driven cycle, or moped.

The bill would amend Section 10, Article 4413(37), Revised Statutes, to require an insurer to pay a fee of \$2.50 multiplied by the total number of motor vehicle years and watercraft years of insurance for policies delivered, issued, or renewed. The bill would establish the Vehicle and Watercraft Crime Prevention Account in the General Revenue Fund that would be required to be appropriated only to VWCPA, and require that 60 percent of each fee be deposited to the account.

Methodology

Based on the analysis of the Comptroller of Public Accounts (CPA), it is assumed that implementing the provisions of the bill would result in additional revenue being generated in the amount of \$56.8 million in General Revenue-Related Funds during the 2012-13 biennium. Under current law the Automobile Burglary and Theft Prevention Authority fee is paid by insurers at the rate of \$1 per motor vehicle year of insurance. Based on information from the CPA it is assumed that an increase in the fee to \$2.50 would have no effect on the number of motor vehicle policies issued, delivered, or renewed. The CPA's analysis assumed that the number of insured watercraft that would pay the fee would be equal to 75 percent of the number of registered watercraft. According to the provisions of the bill, \$1 of the fee would continue to be deposited to the General Revenue Fund and the \$1.50 increase would be deposited to the General Revenue Dedicated-Vehicle and Watercraft Crime Prevention Account. Estimates of revenue generated from expansion of the fee base and increasing the fee are based on the CPA's *2012-13 Biennial Revenue Estimate* and information provided by the Texas Parks and Wildlife Department.

This analysis assumes that all revenue generated by the bill would be expended by VWCPA (formerly ABTPA). ABTPA indicates a one-time cost of \$30,000 would be incurred to change the name of the program and that an additional \$150,000 would be used annually to expand advertising to include watercraft. For the purposes of this analysis, it is assumed that the remainder of the funds would be used for other program purposes authorized by statute, such as distributing grants.

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, Section 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

Based on the assumption that there would be an increase in available funding to VWCPA (formerly ABTPA) during the 2012-13 biennium compared to ABTPA appropriations during the 2010-11 biennium, it is also assumed that there would be an increase in the number and/or amount of grants issued to local entities. The amount of this increase for individual local entities cannot be determined and would vary depending on the amount of funds available for grant distribution, the number of grant applications received, and board decisions regarding grant funding.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 454 Department of Insurance, 608 Department of Motor Vehicles

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