

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

Revision 1

April 19, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1198 by Raymond (Relating to authorizing an optional county fee for vehicle registration in certain counties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 502 of the Transportation Code to authorize certain counties to impose an optional county fee of up to \$10 for registering a vehicle in those counties if approved by a majority of voters in an election. The new fee could be collected in addition to the existing optional county road and bridge fee authorized by Transportation Code, Section 502.401. The bill would authorize the fee to take effect in accordance with the requirements of Section 502.401 (on January 1 of a year). The bill would require the revenue collected from the fee to be credited to the county road and bridge fund. The provisions of the bill would apply only to a county located on an international border with a population of more than 60,000 and less than 300,000. Based on the applicability criteria, the provisions of the bill would apply only to Starr and Webb counties.

The Comptroller's office and the Department of Motor Vehicles (DMV) report that the bill would not impact the State's cash flow but it would increase revenue to the County Road and Bridge Fund in the applicable counties. Based on the information provided by DMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

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, 2013.

Local Government Impact

The potential revenue gain to Starr and Webb counties would vary depending on any incremental increase in the amount of the optional fee charged by the county, the number of vehicles registered in the county, and whether it was approved by voters in an election. 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.

Based on the information provided by the DMV and for the purposes of this analysis, it is assumed that Starr and Webb counties would begin charging the additional optional fee of \$10 on January 1, 2014, which would apply to vehicle registration transactions processed on or after that date in fiscal year (FY) 2014; and the number of registered vehicles in each county would increase by 1.5

percent annually.

Starr County would have approximately 50,635 registered vehicles in FY 2014 for an estimated revenue gain of \$506,350 increasing to 53,742 registered vehicles in FY 2018 for an estimated revenue gain of \$537,420; with total revenues of \$2.6 million in FY 2014-18.

Webb County would have approximately 176,624 registered vehicles in FY 2014 for an estimated revenue gain of \$1.8 million and 187,461 registered vehicles in FY 2018 for an estimated revenue gain of \$1.9 million; with total revenues of \$9.1 million in FY 2014-18.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation,
608 Department of Motor Vehicles

LBB Staff: UP, AG, SD, TP, MW, TG