

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1198 by Raymond (Relating to authorizing an optional county fee on vehicles registered in certain counties to fund transportation projects.), **Committee Report 2nd 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 for of up to \$10 for transportation projects for registering a vehicle in those counties. 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 require the revenue collected from the fee to be credited to the county road and bridge fund. One hundred percent of revenue from the fee goes to the county's regional mobility authority to fund long-term transportation projects in the county. The provisions would apply only to a county with a population of more than 250,000, and in which the largest city has a population of less than 400,000. Based on the applicability criteria, Cameron, Hidalgo and Webb counties would be eligible.

The Comptroller's office and the Department of Motor Vehicles (DMV) report that 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 September 1, 2013.

Local Government Impact

The potential revenue gain to Webb County would vary depending on any incremental increase in the amount of the optional fee charged by the county and the number of vehicles registered in the county. 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 Webb County 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. 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 \$8.5 million in FY 2014–18. (FY 2014 revenue is calculated for eight months.)

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

LBB Staff: UP, AG, TP