

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2202 by Pickett (Relating to the disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles; authorizing fees.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2202, As Engrossed: an impact of \$0 through the biennium ending August 31, 2015.

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
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from State Highway Fund 6	Probable Savings/(Cost) from State Highway Fund 6	Probable Revenue Gain/(Loss) from Texas Department of Motor Vehicles Fund	Probable Revenue Gain/(Loss) from Counties - County Road and Bridge Fund
2014	(\$102,411,000)	(\$59,000,000)	\$154,385,000	\$7,026,000
2015	(\$103,595,000)	\$0	\$96,330,000	\$7,265,000
2016	(\$104,657,000)	\$0	\$97,210,000	\$7,447,000
2017	(\$105,595,000)	\$0	\$97,962,000	\$7,633,000
2018	(\$106,518,000)	\$0	\$98,695,000	\$7,823,000

Fiscal Analysis

The bill would amend the Transportation Code to create a new Texas Department of Motor Vehicles Fund (TxDMV Fund) in the State Treasury outside the General Revenue Fund. The fund

would consist of money appropriated by the Legislature to the Department of Motor Vehicles (DMV); gifts, grants, and donations received by the DMV; money required to by law to be deposited to the fund; and interest earned on money in the fund. Money in the TxDMV Fund could be used only to support the operations of the DMV and accounting costs and related liabilities for the fund, including employee benefits. The bill would amend various provisions of the Transportation Code to direct certain fees or portions of fees currently deposited to the State Highway Fund (Fund 6) to the new TxDMV Fund, including fees related to the titling and registration of vehicles, issuance of license plates, registration and regulation of commercial vehicles, and the issuance of disabled parking placards. The bill would amend the Transportation Code to authorize the DMV to collect a fee set by board rule in addition to registration fees for the issuance of license plates or registration insignia to cover the expenses of collecting the registration fees. The bill would allow the county tax assessor-collector or the assessor-collector's contractor to retain a portion of the fee as provided by board rule, and the remainder would be deposited to the TxDMV Fund. The bill would amend Occupations Code, Chapter 2301, relating to the regulation of the sale or lease of motor vehicles, to require all fees collected by the board of the DMV under that chapter to be deposited to the TxDMV Fund instead of Fund 6. The bill specifies that on September 1, 2013, \$59 million of existing revenue from fees collected or received by the DMV under Section 502.356 and former Section 502.1705 of the Transportation Code from November 1, 2009 to August 31, 2013 shall be transferred to and deposited in the new TxDMV Fund. The bill would repeal Section 502.1982 of the Transportation Code that requires a county tax assessor-collector to remit 3 percent of optional county road and bridge fee collections to the DMV for the costs of administering the optional county registration fee program.

The bill would take effect on September 1, 2013.

Methodology

Based on the information provided by the Comptroller's office, it is assumed the provisions of the bill would result in a revenue loss of \$102.4 million from the State Highway Fund and a gain of \$95.4 million to the new Texas Department of Motor Vehicles Fund beginning in fiscal year 2014 and similar losses to Fund 6 and gains to the new fund would continue in each year thereafter. Revenue from fees collected by the DMV under Section 502.356 and former Section 502.1705 of the Transportation Code is currently deposited to Fund 6. The bill would require the transfer of \$59 million from balances of these fees held in Fund 6 to the new TxDMV Fund in fiscal year 2014. This analysis does not include an estimate of additional revenue to the state that would be deposited to the TxDMV Fund from the additional fee to be set by the board of the DMV for the issuance of license plates and registration insignia.

Based on the information provided by the DMV, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

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. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

The bill would allow counties to retain 100 percent of the optional county road and bridge fee collections resulting in a revenue gain of \$7 million to the counties beginning in fiscal year 2014 and continuing each year thereafter.

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

LBB Staff: UP, KK, MW, TG