

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2202, As Introduced: 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 Revenue Gain/(Loss) from Texas Department of Motor Vehicles Fund
2014	(\$102,411,000)	\$102,411,000
2015	(\$103,595,000)	\$103,595,000
2016	(\$104,657,000)	\$104,657,000
2017	(\$105,595,000)	\$105,595,000
2018	(\$106,518,000)	\$106,518,000

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 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 corresponding gain 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. 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.

Local Government Impact

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

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

LBB Staff: UP, KK, MW, TG