

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 25, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2741 by Phillips (Relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense.), **Conference Committee Report**

Although the bill is anticipated to generate revenue for the state and units of local government, the fiscal implications of the bill cannot be determined at this time due to a lack of data on the violations subject to the penalties and number of applicants for certain titles and permits authorized by the bill.

The bill would amend the Occupations Code to authorize the board of the Department of Motor Vehicles (DMV) to take certain disciplinary actions after granting an applicant or license holder the opportunity for a hearing rather than requiring a hearing as specified under current law. The bill would amend the Transportation Code to authorize the owner of a trailer with a gross vehicle weight of 4,000 pounds or less to apply for a title. The bill would make the \$65 rebuilder fee applicable to the issuance of rebuilt salvage titles to include trailers and semitrailers. The bill would authorize the board of the DMV by rule to establish a fee for the issuance of a paper title to cover the administrative costs of an electronic titling system. The bill would authorize the DMV to credit a person for any time remaining on a multi-year vehicle registration when the person sells or trades the registered vehicle to a dealer. The bill would establish offenses for the manufacture, sale, or possession of a registration insignia or license plate that is deceptively similar to an insignia or license plate issued by the DMV. The bill would require the DMV to issue Big Brothers Big Sisters specialty license plates. The bill would require the fees from issuance of the plates, after deductions for administrative costs, to be deposited to the Specialty License Plates General Account in the General Revenue Fund to be used by the Attorney General to provide grants to benefit the Big Brothers Big Sisters of America organizations operating in Texas.

The bill would increase fines and penalties for offenses under the Transportation Code Chapter 621, relating to vehicle size and weight, and Chapter 623, relating to permitting of certain vehicles. The fines prescribed by the bill would vary depending on the amount by which a vehicle exceeds the allowable gross weight or axle weight.

The bill would authorize the DMV to issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles. The bill would establish an annual fee of \$1,000 for the permit and would authorize the DMV to issue a permit that is valid for less than one year and to prorate the fee accordingly. The bill would require 50 percent of each fee to be deposited to the State Highway Fund (Fund 6) and require the Comptroller to distribute the remainder to the counties designated in the permit application.

The bill would authorize the Department of Motor Vehicles (DMV) to issue annual permits for vehicles transporting unrefined timber, wood chips, or biomass at an annual fee of \$1,500. The permit would be issued as an alternative to a permit required by Section 623.011, Transportation Code. The bill would require 50 percent of the fee to be deposited to Fund 6 and the remaining 50 percent to be divided equally among all counties designated on the permit application. The bill would require a financially responsible party associated with the permitted vehicles to provide a notification document to the DMV indicating the roads on which the vehicles will travel and agree to reimburse a county or the state, as applicable, for damage to a road or highway caused by the transportation authorized under the permit. The bill would authorize the Texas Department of Transportation (TxDOT) or a county to inspect and document the condition of a highway or road identified in the notification to establish a baseline condition for any assessment of damage sustained by the financially responsible party's use of the highway or road.

The bill would authorize the DMV to issue a special permit during a major disaster declared by the President of the United States to an overweight or oversize vehicle or load that will be used only to deliver relief supplies. The bill would authorize the board of the DMV to adopt rules to establish the fee and requirements for the special permit.

Except as otherwise provided by the bill, the bill would take effect on September 1, 2013.

This analysis assumes that the implementation of the fines and penalties prescribed by the bill for offenses under Transportation Code Chapters 621 and Chapter 623 would increase state revenue, and that depending on the number and type of assessed penalties, the amount of revenue generated may be significant. However, the fiscal implications of the bill cannot be determined due to a lack of data on the violations that will be subject to penalties.

Based on the information and analysis provided by the DMV, it is assumed the implementation of the new permit for vehicles transporting unprocessed wood products and for certain ready-mixed concrete trucks would result in an insignificant net revenue gain to Fund 6 and counties and any costs associated with implementing these provisions of the bill could be absorbed within the agency's existing resources. Based on the information provided by TxDOT, it is assumed any direct costs or duties associated with implementing the associated provisions of the bill could be absorbed within existing resources.

Because the timing and duration of a declared emergency or disaster is unknown, the revenue from the issuance for the issuance of permits to deliver relief supplies cannot be determined.

The bill would authorize a person to apply for title for a trailer that has a gross vehicle weight of 4,000 pounds or less. Based on the information provided by the DMV, it is assumed the issuance of titles for these trailers would result in an insignificant revenue gain to the State.

For this analysis, it is assumed the number of offenders convicted or whose cases would now be dismissed under the provisions of the bill would not result in a significant impact on the programs and workload of state correctional agencies.

Local Government Impact

The bill would generate \$5 in revenue for each trailer or semitrailer title transaction in a county. This would be a positive revenue gain to counties but is not anticipated to be significant. It is assumed the bill would result in an indeterminate revenue gain to County Road and Bridge Funds.

Source Agencies: 601 Department of Transportation, 608 Department of Motor Vehicles
LBB Staff: UP, AG, TG