

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 10, 2013

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

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 and to certain vehicles purchased outside this state; authorizing a fee; creating an offense.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

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 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. The bill would require the DMV to establish by rule procedures to issue license plates for golf carts used for operation on public highways. The bill would authorize the DMV to charge a fee for the cost of the license plate. 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 require the Comptroller to conduct a study on the fiscal effect to the state and to the motorcycle industry of the improper avoidance of the use tax due on certain off-road vehicles purchased in other states. The bill would require the study results and any recommendations to be submitted to the House Ways and Means and the Senate Finance Committees no later than December 1, 2013.

Based on the information and analysis provided by the DMV and the Comptroller's office, it is assumed the provisions of the bill would not result in a significant impact to state revenues and any costs or duties associated with implementing the provisions of the bill could be absorbed

within existing resources. 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

According to the Office of Court Administration (OCA) some counties that enter into interlocal contracts to administer another county's motor vehicle title administration could benefit, while the non-administering county could lose in revenue. OCA does not anticipate fiscal impact to be significant.

The bill would also 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.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 301 Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: UP, AG, MW, TG, KKR, LM