

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 29, 2013

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3126** by Lucio III (Relating to the authorization by referendum election of an increase in optional fees imposed on vehicles registered in certain counties to fund transportation projects.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 502.402 of the Transportation Code to authorize certain counties to impose an Optional County Fee for registering a vehicle. A county described by Subsection (a) with a population of less than 700,000 could impose a fee not to exceed \$20. Based on the applicability criteria, the provision would apply only to Cameron County.

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 authorize the fee to take effect in accordance with the requirements of Section 502.401 (on January 1 of a year). The bill would require the revenue collected from the fee to be credited to the county road and bridge fund.

The Comptroller of Public Accounts and the Department of Motor Vehicles (DMV) report that the 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 on September 1, 2013.

Local Government Impact

The potential revenue gain to Cameron County would vary depending on any incremental increase in the amount of the Optional County 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 would increase by 1.7 percent; and 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 Cameron County would begin charging the additional Optional County Fee of \$20 on January 1, 2014, which would apply to vehicle registration transactions processed on or after that date in fiscal year (FY) 2014.

Cameron County would have approximately 290,314 registered vehicles in FY 2014 for an estimated revenue gain of \$1.9 million (eight months) increasing to 310,564 registered vehicles in FY 2018 for an estimated revenue gain of \$3.0 million; with total revenues of \$13.6 million in FY 2014-18.

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

LBB Staff: UP, AG, SD, TP, TG