

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 26, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1670 by Nichols (Relating to the fees for oversize and overweight vehicle permits.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for SB1670, As Engrossed: a positive impact of \$14,021,808 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	\$6,941,489
2015	\$7,080,319
2016	\$7,221,925
2017	\$7,366,363
2018	\$7,513,691

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from State Highway Fund 6	Probable Savings/(Cost) from State Highway Fund 6
2014	\$6,941,489	\$8,840,336	(\$15,781,825)
2015	\$7,080,319	\$9,017,143	(\$16,097,462)
2016	\$7,221,925	\$9,197,486	(\$16,419,411)
2017	\$7,366,363	\$9,381,435	(\$16,747,798)
2018	\$7,513,691	\$9,569,064	(\$17,082,755)

Fiscal Analysis

The bill would amend Chapter 623 of the Transportation Code to increase the base permit fee for a vehicle with excess axle or gross weight from \$90 to \$180. The bill would increase the amount of the base fee that the Comptroller is required to send to the counties from \$50 to \$140. The bill

would increase the additional fee for a permit to operate a vehicle with excess axle or gross weight for each category that currently exists. Under current law there are seven categories based on the number of counties designated for travel and fees range from \$175 to \$1,000. The bill would increase the number of categories to nine with fees ranging from \$250 to \$3,000 and increase the amount of the fee allocated to the General Revenue Fund from two of the current categories. Under the provisions of the bill, one-half of each annual fee would be deposited to the General Revenue Fund and one-half would be deposited to the State Highway Fund.

The bill would take effect September 1, 2013.

Methodology

Under current statute, \$50 of the base permit fee is distributed to counties and \$40 of the fee is deposited to the State Highway Fund (Fund 6). The bill would increase the base fee by \$90 and require the Comptroller to send the additional revenue to the counties. The Comptroller's office used DMV data and growth factors in the *2014-15 Biennial Revenue Estimate* to project the revenue gain to the General Revenue Fund and the Fund 6 that would result from the provisions of the bill. This information is reflected in the table above.

Currently, revenue collected from additional permit fees under Section 623.0111 is divided between the General Revenue Fund and Fund 6 based on the number of counties designated on the permit. Section 621.353(c), Transportation Code, requires the Comptroller to send each additional permit fee collected under Section 623.0111 to the counties designated on the application for the permit. Current provisions for the Fiscal Programs - Comptroller of Public Accounts in Article I of the General Appropriations Act for the 2012–13 biennium appropriate an amount from Fund 6 for distribution to counties pursuant to Section 621.353, Transportation Code, in an amount equal to the revenue collected from gross weight and axle weight permit fees for distribution to counties. This analysis assumes the Fund 6 appropriation for this purpose would be continued in fiscal years 2014 through 2018. To the extent that this rider provision were eliminated, the cost to General Revenue would be \$6.9 million in FY 2014 and the cost to Fund 6 decrease to \$8.8 million in that year.

Therefore, it is assumed increasing the fees in Section 621.353(c), Transportation Code, and the amount of the base fee for distribution to counties would result in a cost to Fund 6 equal to the total amount of additional fee revenue collected from permit fees for distribution to counties in each fiscal year under the provisions of the bill. The counties designated on the permits would realize an equal increase in revenue to their County Road and Bridge Funds. Based on the analysis provided by the Comptroller's office and DMV, it is assumed the additional permit fee revenue will grow at a rate of two percent each fiscal year.

Local Government Impact

The bill would result in a revenue gain to County Road and Bridge Funds from fee increases associated with excess axle and gross weight permits. Fiscal impact to individual counties would vary depending on the number of permits issued, but it is anticipated that counties would generate approximately \$15.8 million in additional revenue statewide beginning in fiscal year 2014. Similar gains would continue in each year thereafter.

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

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