

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

TO: Honorable Robert Nichols, Chair, Senate 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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1670, As Introduced: a positive impact of \$75,144,000 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	\$37,200,000
2015	\$37,944,000
2016	\$38,703,000
2017	\$37,447,000
2018	\$40,267,000

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	\$37,200,000	\$8,840,000	(\$17,680,000)
2015	\$37,944,000	\$9,017,000	(\$18,034,000)
2016	\$38,703,000	\$9,197,000	(\$18,394,000)
2017	\$37,447,000	\$9,381,000	(\$18,762,000)
2018	\$40,267,000	\$9,569,000	(\$19,138,000)

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 \$900. The bill would increase the fee for the additional 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 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. Because the bill does not specify the fund in which any revenue resulting from increasing the base permit fee is to be deposited, any increased revenue resulting from the bill would be deposited to the credit of the General Revenue Fund pursuant to Section 404.094, Government Code. The Department of Motor Vehicles (DMV) estimates 43,530 base permits will be issued in fiscal year 2014. The Comptroller of Public Accounts used DMV data and growth factors in the *2014-15 Biennial Revenue Estimate* to project the revenue gain to the General Revenue Fund 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 State Highway Fund 6 (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. For the purposes of this analysis, it is assumed the Fund 6 appropriation for this purpose would be continued in fiscal years 2014 through 2018. Therefore, it is assumed increasing the fees in Section 621.353(c), Transportation Code, would result in a cost to Fund 6 equal to the total amount of additional fee revenue collected from additional permit fees for distribution to counties under Section 623.0111, Transportation Code, in each fiscal year. 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 generate new revenue for County Road and Bridge Funds from fee increases associated excess axle and gross weight vehicle additional permits. Fiscal impact to individual counties would vary depending on the number of permits issued, but it is anticipated that counties would generate \$35,714,000 statewide during the 2014-15 biennium in new revenue under the provisions of the bill.

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

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