

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

**TO:** Honorable Susan Lewis King, Chair, House Committee on Defense & Veterans' Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1512** by Paul (Relating to the issuance of specialty license plates to honor recipients of certain military awards.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1512, As Introduced: a negative impact of (\$40,450) through the biennium ending August 31, 2017.

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
2016	(\$20,000)
2017	(\$20,450)
2018	(\$20,910)
2019	(\$21,381)
2020	(\$21,862)

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 Revenue Gain/(Loss) from Counties
2016	(\$20,000)	(\$903,050)	(\$331,950)
2017	(\$20,450)	(\$923,369)	(\$339,419)
2018	(\$20,910)	(\$944,144)	(\$347,056)
2019	(\$21,381)	(\$965,388)	(\$354,865)
2020	(\$21,862)	(\$987,109)	(\$362,849)

Fiscal Analysis

The bill would amend Transportation Code, Section 504.315, to require the Department of Motor Vehicles (DMV) to issue military specialty license plates depicting the respective emblems for the military awards for recipients of the Combat Infantryman Badge, the Combat Action Badge, the

Combat Medical Badge, the Combat Action Ribbon, and the Air Force Combat Action Medal.

The bill would take effect on September 1, 2015.

**Methodology**

The bill would require the DMV to design and issue 21 new military specialty license plates and 21 Disabled Veteran versions of each plate to depict the emblem of the military award for each plate established by the bill. Based on the information provided by the DMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

There would be no additional fee for issuance of the new military specialty plates. Pursuant to Transportation Code, Section 504.3015, a person applying for a set of license plates established under Section 504.315 may be issued one set of plates without payment of the vehicle registration fee. Based on the information and analysis provided by the DMV, it is assumed that 20,000 eligible medal recipients would apply for registration of a vehicle with one set of the new specialty license plates without payment of vehicle registration fees, including the following fees: \$50.75 [average registration fee, split 87 percent to the State Highway Fund (SHF) and 13 percent to the counties]; \$1 automation fee (deposited to General Revenue); \$1 Department of Public Safety/Vehicle Financial Responsibility Program fee (deposited to the SHF); and \$10 county road and bridge fee. Based on the analysis of the DMV, it is assumed implementation of the bill would result in revenue losses to the state and the counties beginning in fiscal year 2016 (reflected in the table above), and the number of vehicles registered with the new specialty plates without payment of registration fees and the associated revenue losses would increase by 2.25 percent each fiscal year.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 608 Department of Motor Vehicles

**LBB Staff:** UP, FR, NV, TG