

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 7, 2015**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Transportation

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

**IN RE:** **HB2606** by King, Ken (Relating to the movement of oil well servicing and drilling machinery on public highways; authorizing a fee.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2606, Committee Report 1st House, Substituted: a negative impact of (\$1,171,033) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	(\$547,274)
2017	(\$623,759)
2018	(\$711,331)
2019	(\$810,789)
2020	(\$924,271)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i></b> <b>1</b>	<b>Probable Revenue Gain/(Loss) from <i>State Highway Fund</i></b> <b>6</b>
2016	(\$547,274)	(\$4,925,462)
2017	(\$623,759)	(\$5,613,827)
2018	(\$711,331)	(\$6,401,975)
2019	(\$810,789)	(\$7,297,097)
2020	(\$924,271)	(\$8,318,435)

**Fiscal Analysis**

The bill would amend Supchapter G, Chapter 623 of the Transportation Code, relating to an optional procedure for the issuance of a permit for the movement of oversize or overweight oil

well servicing or oil well drilling machinery and equipment, to require the board of the Department of Motor Vehicles (DMV) to adopt a rule authorizing an annual permit for a vehicle with a maximum gross weight of more than 80,000 pounds and not to exceed 135,000 pounds. The bill would authorize an annual permit fee in an amount not to exceed \$2,000.

The bill would take effect on September 1, 2015.

### **Methodology**

A carrier is currently authorized to purchase a quarterly hubometer permit or a single-trip mileage permit for the movement of a self-propelled well servicing unit. Revenue from the associated permit fees is allocated 90 percent to the State Highway Fund and 10 percent to the General Revenue Fund. Based on the information and analysis provided by the DMV, it is assumed approximately 1,653 of the new annual permits would be issued in fiscal year 2016 at a fee of \$2,000 each to carriers who would have otherwise applied for a quarterly hubometer permit (approximately 5,487 fewer permits at an average fee of \$1,305) or a single-trip permit (approximately 6,784 fewer permits at an average fee of \$310) under current law. Pursuant to current law, the new permit fee would be allocated 90 percent to the State Highway Fund and 10 percent to the General Revenue Fund. Based on the analysis of the DMV, it is assumed issuance of the new annual permit would result in revenue losses of \$547,274 to General Revenue and \$4,925,462 to the SHF beginning in fiscal year 2016; and the number of permits issued and associated revenue impacts would increase by 14 percent each year thereafter.

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.

### **Local Government Impact**

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

**Source Agencies:** 601 Department of Transportation, 608 Department of Motor Vehicles

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