

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 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 special use vehicles on public highways; authorizing a fee; adding provisions subject to a criminal penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2606, As Introduced: a negative impact of (\$716,440) 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	(\$334,785)
2017	(\$381,655)
2018	(\$435,087)
2019	(\$495,999)
2020	(\$565,439)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Counties</i>
2016	(\$334,785)	(\$2,321,799)	\$691,700
2017	(\$381,655)	(\$2,646,398)	\$788,500
2018	(\$435,087)	(\$3,016,984)	\$898,800
2019	(\$495,999)	(\$3,439,562)	\$1,024,400
2020	(\$565,439)	(\$3,921,090)	\$1,167,900

Fiscal Analysis

The bill would amend the Transportation Code to authorize the Department of Motor Vehicles (DMV) to issue a permit for the operation of a special use vehicle, defined as a self-propelled

well-servicing unit, on public roadways. The bill would require the DMV to issue a sticker to be placed on the vehicle when it issues a permit. The bill would establish a \$1,000 base permit fee, of which 50 percent would be deposited to the State Highway Fund (SHF) and the remaining 50 percent divided among and distributed to the counties in which the vehicle is intended to be operated (as designated in permit applications) according to rules to be established by the DMV. A permit would be valid for up to one year. The bill would authorize the DMV to issue a permit for a period less than one year and would require the DMV to prorate the fee accordingly. The bill would specify maximum single-axle and axle-group weights, weight tolerance, and a maximum gross weight and authorize a special use vehicle to exceed the weight limits, provided that the gross weight does not exceed 135,000 pounds, if the vehicle has been issued a permit established by the bill.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2015.

Methodology

For the purposes of this analysis, it is assumed the DMV would implement the new special vehicle permit provisions of the bill beginning on September 1, 2015 (fiscal year 2016).

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 1,350 of the new annual permits would be issued in fiscal year 2016 at a fee of \$1,000 each to carriers who would have otherwise applied for a quarterly hubometer permit (approximately 4,340 fewer permits at an average fee of \$535) or a single-trip permit (approximately 4,150 fewer permits at an average fee of \$247) under current law. Fifty percent of the new fee would be deposited to the SHF, and the remaining 50 percent would be distributed to the counties as prescribed by the bill. Based on the analysis of the DMV, it is assumed issuance of the new annual permit would result in revenue losses of \$334,785 to General Revenue and \$2,321,799 to the SHF and a revenue gain of \$691,700 to the counties 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. The Texas Department of Transportation (TxDOT) indicates that implementation of the bill could require the department to impose new load restrictions on on-system and off-system bridges. It is assumed that any direct operational impacts to TxDOT resulting from the implementation of the bill could be absorbed within the agency's existing resources.

Local Government Impact

Based on information provided by TxDOT, it is assumed units of local government could incur operation impacts and other costs associated with managing load restrictions on bridges within their jurisdictions.

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

LBB Staff: UP, AG, NV, TG