

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

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

**March 17, 2015**

**TO:** Honorable Robert Nichols, Chair, Senate Committee on Transportation

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

**IN RE: SB840** by Watson (Relating to watercraft and certain trailer registration fees for veterans with disabilities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB840, As Introduced: a positive impact of \$144,228 through the biennium ending August 31, 2017.

However, the bill would result in a revenue loss of (\$2,895,378) for the biennium to Fund 6.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$72,114
2017	\$72,114
2018	\$72,114
2019	\$72,114
2020	\$72,114

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

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> <b>1</b>	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> <b>6</b>	Probable Revenue Gain/(Loss) from <i>Game, Fish, Water Safety</i> <i>Ac</i> <b>9</b>	Probable Revenue Gain/(Loss) from <i>Counties</i>
2016	\$72,114	(\$1,447,689)	(\$248,000)	(\$571,503)
2017	\$72,114	(\$1,447,689)	(\$248,000)	(\$571,503)
2018	\$72,114	(\$1,447,689)	(\$248,000)	(\$571,503)
2019	\$72,114	(\$1,447,689)	(\$248,000)	(\$571,503)
2020	\$72,114	(\$1,447,689)	(\$248,000)	(\$571,503)

**Fiscal Analysis**

The bill would amend the Parks and Wildlife Code and the Transportation Code relating to watercraft and certain trailer registration fees for veterans with disabilities.

The bill would add new Subsection (d) to Section 31.026 of the Parks and Wildlife Code to stipulate the two-year fee for a vessel owned by a qualified disabled veteran, as defined by Section 42.012, Parks and Wildlife Code, be \$3.

The bill would amend Section 502.254 of the Transportation Code to set the fee for a registration year of a trailer, travel trailer, or semitrailer weighing less than 6,000 pounds at \$3 for a veteran who is 60 percent or more disabled or lost the use of a lower extremity, and provided the veteran receives compensation from the United States because of the disability.

The bill would take effect September 1, 2015.

### **Methodology**

Currently, the fee for vessel registration ranges from \$32 for a vessel under 16 feet to \$150 for a vessel longer than 40 feet. Information provided by the Texas Parks and Wildlife Department (TPWD) indicates the average fee amount for all vessel registration fees over the past 5 years is \$48.27, and the average number of vessels registered annually is 288,235 over the same period. TPWD also estimates that approximately 2 percent of the vessels that would be subject to the provisions of Section 1 of the bill are owned by qualifying disabled veterans. This percentage was applied to the approximate number of vessels that would be affected by the bill and multiplied again by the average price after subtracting the \$3 fee that would be charged for vessel registration under the provisions of the bill.

According to the Department of Motor Vehicles (DMV), there were 144,227 vehicles registered with Disabled Veteran plates in 2014. DMV estimated that 25% of these disabled veterans own trailers and would apply for at least one Disabled Veteran trailer plate. This percentage equals about 36,057 trailer owners statewide who would obtain an additional \$3 Disabled Veteran plate in lieu of paying the standard trailer registration fee of \$45. Additionally, those who are eligible to obtain a Disabled Veteran plate do not pay any local county fees (estimated average is \$10), the \$1 Automation Fee, or the \$1 TexasSure (insurance verification) fee at time of registration.

### **Technology**

Based on the analysis of the DMV, it is assumed any costs associated with implementing the provisions of the bill on or after January 1, 2016, (delayed implementation) could be absorbed within the agency's existing resources. However, the DMV indicates that implementation of the bill by September 1, 2015, would require programming changes to the agency's legacy core Registration and Titling System (RTS) during the months of June and July of 2015, which would delay the development and implementation of the agency's ongoing RTS Refactoring Project. The DMV estimates the programming changes necessary to implement the provisions of the bill on the specified effective date could result in a four month delay in the RTS Refactoring Project, which could result in significant additional project costs.

### **Local Government Impact**

The fiscal impact to counties is shown in the above table.

**Source Agencies:** 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles, 802 Parks and Wildlife Department

**LBB Staff:** UP, AG, SD