

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 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 certain trailer registration fees for veterans with disabilities.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB840, Committee Report 1st House, Substituted: a positive impact of \$36,812 through the biennium ending August 31, 2017.

However, the bill would result in a revenue loss of (\$985,331) 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	\$14,573
2017	\$22,239
2018	\$22,740
2019	\$23,251
2020	\$23,775

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	\$14,573	(\$390,057)	(\$149,125)
2017	\$22,239	(\$595,274)	(\$227,583)
2018	\$22,740	(\$608,668)	(\$232,704)
2019	\$23,251	(\$622,363)	(\$237,939)
2020	\$23,775	(\$636,366)	(\$243,293)

Fiscal Analysis

The bill would amend the Transportation Code relating to trailer registration fees for veterans with disabilities.

The bill would amend Section 502.202 of the Transportation Code to authorize a person entitled to receive a Disabled Veteran specialty license plate to register one trailer, travel trailer, or semitrailer with a gross weight of 6,000 pounds or less without payment of any fee paid for or at the time of registration except for the fee for the license plate. The fee for the license plate would be \$3 each year.

The bill would take effect September 1, 2016.

Methodology

According to the Department of Motor Vehicles (DMV), there were 144,227 vehicles registered with Disabled Veteran plates in 2014. During that same time, 10% of the 23.8 million registered vehicles in Texas were trailers. DMV estimated that 10% of these disabled veterans own trailers and would apply for a Disabled Veteran trailer plate. This percentage equals about 14,500 trailer owners statewide who would obtain a \$3 Disabled Veteran plate in lieu of paying the standard trailer registration fee of \$45. A 2.25% annual growth rate was then applied to the number of disabled veteran trailers registered annually. Revenue was adjusted in the first year to account for the January 2016 effective date. 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.

Local Government Impact

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

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: UP, AG, SD