

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1504 by Garcia (Relating to the regulation of salvage vehicle dealers, salvage pool operators, and salvage vehicle rebuilders; expanding the applicability of an occupational license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1504, As Introduced: a negative impact of (\$1,908,000) through the biennium ending August 31, 2017.

There would be a similar gain to Other Funds, in the Texas Department of Motor Vehicles Fund.

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	(\$788,000)
2017	(\$1,120,000)
2018	(\$1,206,000)
2019	(\$1,218,000)
2020	(\$1,230,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund	Probable Revenue Gain/(Loss) from Texas Department of Motor Vehicles Fund
2016	(\$788,000)	\$788,000
2017	(\$1,120,000)	\$1,120,000
2018	(\$1,206,000)	\$1,206,000
2019	(\$1,218,000)	\$1,218,000
2020	(\$1,230,000)	\$1,230,000

Fiscal Analysis

The bill would amend Chapter 2302 of the Occupations Code, relating to salvage vehicle dealers,

to provided for the licensing and regulation salvage vehicle dealers, salvage pool operators, and salvage vehicle rebuilders and make conforming amendments to Health and Safety Code Chapter 375; Occupations Code Chapter 2309; and Transportation Code Chapters 391 and 501. The bill would add additional salvage industry license categories to include salvage pool operators and salvage vehicle rebuilders to the existing salvage vehicle dealer licensing conducted by the Department of Motor Vehicles (DMV). The bill would amend Chapter 2302 of the Occupations Code to specify that, notwithstanding any other law, all money collected by the board of the DMV under that chapter is to be deposited to the credit of the Texas Department of Motor Vehicles Fund (TxDMV Fund).

Except as otherwise specified, the bill would take effect on January 1, 2016.

Methodology

Based on the information provided by the DMV and the Comptroller's office, it is assumed the provisions of the bill would not have an effect on the aggregate amount of revenue collections under Chapter 2302, Occupations Code. The bill would require all money collected by the DMV under that chapter, which is currently deposited to the General Revenue Fund, to be deposited to the TxDMV Fund inside the Treasury outside of General Revenue. Based on estimates provided by the Comptroller's office, it is assumed this provision of the bill would result in annual revenue losses of approximately \$1.2 million to General Revenue and corresponding gains to the TxDMV Fund beginning in fiscal year 2016. Because this provision of the bill would take effect on January 1, 2016, this analysis prorates the estimated revenue impact to reflect eight months of revenue collections for fiscal year 2016.

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 the agency's existing resources.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: UP, AG, NV, TG