

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1512 by Hancock (relating to the Texas Department of Motor Vehicles fund.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB1512, Committee Report 1st House, Substituted: a negative impact of (\$126,812,000) 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	\$0
2017	(\$126,812,000)
2018	(\$129,348,000)
2019	(\$131,935,000)
2020	(\$134,574,000)

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>Texas Department of Motor Vehicles Fund</i>
2016	\$0	\$0	\$0
2017	(\$126,812,000)	(\$84,418,000)	\$211,230,000
2018	(\$129,348,000)	\$0	\$129,348,000
2019	(\$131,935,000)	\$0	\$131,935,000
2020	(\$134,574,000)	\$0	\$134,574,000

Fiscal Analysis

The bill would re-enact the Texas Department of Motor Vehicles (TxDMV) Fund created by Section 1001.151, Transportation Code, and all revenue dedicated for deposit to the credit of that

fund as enacted by Section 71, Chapter 1287 (HB 2202), Acts of the Eighty-third Legislature, Regular Session, 2013. The fund would be established as a special fund in the state treasury outside the General Revenue Fund. The bill would direct the Comptroller, on September 1, 2016, to deposit to the credit of the TxDMV Fund an amount from the State Highway Fund (SHF) equal to the amount collected or received by DMV under Section 502.356, Transportation Code, relating to the automated registration and title system, during the period beginning November 1, 2009, and ending September 1, 2013.

The bill would take effect on September 1, 2016.

Methodology

Based on the information provided by the DMV and the Comptroller's office, it is assumed the re-enactment of the TxDMV Fund and all revenue dedicated for deposit to the fund under the provisions of HB 2202, Eighty-third Legislature, 2013, would result in a revenue loss to General Revenue and a corresponding gain to the TxDMV Fund of \$123.9 million beginning in fiscal year 2016, which would increase by approximately two percent each year thereafter. The DMV reports that \$84.4 million in revenue was collected from the \$1 automation fee under Section 502.356, Transportation Code, during the period beginning November 1, 2009, and ending September 1, 2013. Therefore, it is assumed the Comptroller would make a one-time transfer of \$84.4 million out of the SHF to the TxDMV Fund in fiscal year 2016.

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, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: UP, KK, NV, TG