

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 31, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1731 by Uresti (Relating to the issuance of specialty license plates to honor recipients of the Gallantry Cross Medal and the Prisoner of War Medal.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1731, As Introduced: a negative impact of (\$194,362) 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	(\$96,100)
2017	(\$98,262)
2018	(\$100,473)
2019	(\$102,734)
2020	(\$105,045)

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	(\$96,100)	(\$4,339,155)	(\$1,595,020)
2017	(\$98,262)	(\$4,436,786)	(\$1,630,908)
2018	(\$100,473)	(\$4,536,614)	(\$1,667,603)
2019	(\$102,734)	(\$4,638,688)	(\$1,705,124)
2020	(\$105,045)	(\$4,743,058)	(\$1,743,489)

Fiscal Analysis

The bill would amend the Transportation Code to require the Department of Motor Vehicles (DMV) to issue specialty license plates for recipients of the Gallantry Cross Medal and recipients of the Prisoner of War Medal.

The bill would take effect on September 1, 2015.

Methodology

Pursuant to Section 504.3015, Transportation Code, there would be no additional fee for the new military specialty plate and one set of plates may be issued to each eligible recipient without payment of vehicle registration fees. Based on the information and analysis provided by the DMV, it is assumed that 96,100 eligible medal recipients would apply for registration of a vehicle with one set of the new specialty license plates without payment of vehicle registration fees, including the following fees: \$50.75 [average registration fee, split 87 percent to the State Highway Fund (SHF) and 13 percent to the counties]; \$1 automation fee (deposited to General Revenue); \$1 Department of Public Safety/Vehicle Financial Responsibility Program fee (deposited to the SHF); and \$10 county road and bridge fee. Based on the analysis of the DMV, it is assumed implementation of the bill would result in revenue losses to the state and the counties beginning in fiscal year 2016 (reflected in the table above), and the number of vehicles registered with the new specialty plates without payment of registration fees and the associated revenue losses would increase by 2.25 percent each fiscal year.

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.

Local Government Impact

It is assumed the provisions of the bill would result in a loss of vehicle registration revenue to the counties in the amounts estimated in the table above.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: UP, AG, NV, TG