

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 4, 2017

TO: Honorable Phil King, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1757 by Oliverson (Relating to the impoundment of a motor vehicle operated without financial responsibility by a driver who does not have a driver's license; authorizing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1757, As Introduced: a negative impact of (\$2,278,674) through the biennium ending August 31, 2019.

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
2018	(\$1,139,337)
2019	(\$1,139,337)
2020	(\$1,139,337)
2021	(\$1,139,337)
2022	(\$1,139,337)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2018	(\$1,139,337)
2019	(\$1,139,337)
2020	(\$1,139,337)
2021	(\$1,139,337)
2022	(\$1,139,337)

Fiscal Analysis

The bill would amend the Transportation Code relating to the impoundment of a motor vehicle. The bill would allow a peace officer to impound a motor vehicle if the officer finds: the operator has not established financial responsibility, the operator of the vehicle does not have in the

driver's possession a valid drivers license for the class of vehicle, the officer cannot determine if the driver has been issued a valid drivers license for the class of vehicle, and the officer determines that impounding the vehicle will not place the operator or another person in immediate danger.

The bill would require the peace officer to issue a written explanation as to how the operator may recover the vehicle. The law enforcement agency would be required to send a notice of impoundment to the last known registered owner of the vehicle if the person operating the vehicle does not own the vehicle and to the lienholder of the vehicle.

If the owner of the vehicle does meet the requirements to release the vehicle 61 days after the impoundment, the law enforcement agency may release the vehicle to the lienholder or the lienholder's agent. If the lienholder does not take possession of the vehicle or the vehicle does not have a lienholder, the law enforcement agency that took possession of the vehicle may auction the vehicle.

The bill would likely result in an undetermined revenue increase to Appropriated Receipts for state law enforcement agencies authorized to receive the proceeds from any auctions authorized by the bill. The amount of revenue generated by the bill would depend on the number and sale price of the vehicles being auctioned.

The bill would take effect September 1, 2017.

Methodology

The Department of Public Safety (DPS) reports in fiscal year 2016 that there were 92,588 citations for no driver's license and 56,345 citations for failing to maintain financial responsibility that could result in towing and impounding 148,933 vehicles under the provisions of the bill. If DPS sent a registered letter to each violator at a cost of \$7.65 the agency would incur a cost of \$1,139,337 each year ($148,933 \times \$7.65 = \$1,139,337$).

Local Government Impact

Since the bill would authorize the 2,655 law enforcement agencies currently licensed by the Texas Commission on Law Enforcement to receive the proceeds from the auctions authorized by the bill, the bill would likely result in an undetermined revenue increase to local law enforcement agencies. The amount of revenue generated by the bill would depend on the number and sale price of the vehicles being auctioned.

Source Agencies: 405 Department of Public Safety

LBB Staff: UP, FR, GG, BM, JAW