

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1093** by Hancock (Relating to the inspection of certain commercial motor vehicles that are not domiciled in this state.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1093, As Introduced: a negative impact of (\$860,000) through the biennium ending August 31, 2019. A negative impact to the Texas Mobility Fund and the Texas Emissions Reduction Plan of (\$4,300,000) each through the biennium ending August 31, 2019 is also assumed.

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	(\$430,000)
2019	(\$430,000)
2020	(\$430,000)
2021	(\$430,000)
2022	(\$430,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from Texas Mobility Fund 365	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071	Probable Revenue (Loss) from General Revenue Fund 1
2018	(\$2,150,000)	(\$2,150,000)	(\$430,000)
2019	(\$2,150,000)	(\$2,150,000)	(\$430,000)
2020	(\$2,150,000)	(\$2,150,000)	(\$430,000)
2021	(\$2,150,000)	(\$2,150,000)	(\$430,000)
2022	(\$2,150,000)	(\$2,150,000)	(\$430,000)

## **Fiscal Analysis**

The bill would amend the Transportation Code to exempt certain commercial vehicles from required annual safety inspections. Specifically, the bill would exempt from annual safety inspections a vehicle not domiciled in the state, provided the vehicle is registered in the state, and has been issued a certificate of inspection in compliance with federal motor carrier safety regulations. The bill would also exempt from annual safety inspections a vehicle registered in the International Registration Plan, and a vehicle that has been issued a certificate of inspection in compliance with federal motor carrier safety regulations.

It is assumed any costs associated with implementing the bill could be absorbed within current resources. However, the bill is estimated to have negative revenue implications to the General Revenue Fund, Texas Mobility Fund, and the Texas Emissions Reduction Plan.

Note: The bill would reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund. Article 3, Section 49-k, of the Texas Constitution, specifies that while money in the Texas Mobility Fund is pledged for the payment of any outstanding debt obligations, the Legislature may not reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund unless the Legislature by law dedicates a substitute or different source of revenue that is projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed.

The bill would take effect immediately upon a two-thirds vote of all members of both chambers. Otherwise, the bill would take effect September 1, 2017.

Based on the information provided by DMV, it is assumed the agency could absorb any costs associated with implementing the provisions of the bill within existing resources.

## **Methodology**

The Department of Motor Vehicles estimates the bill could result in a 215,000 decrease to the number of commercial vehicle safety inspections conducted each year. Since portions of commercial vehicle safety inspection fees are dedicated to the General Revenue Fund, Texas Mobility Fund, and Texas Emissions Reduction Plan, it is assumed the bill would have a corresponding negative revenue impact on these funds.

Revenue Impact to the General Revenue Fund - \$2 of each commercial vehicle safety inspection fee is dedicated to the General Revenue Fund as a Texas.gov fee. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 215,000 safety inspections, resulting in an estimated \$430,000 revenue decrease to the General Revenue Fund (\$2 x 215,000).

Revenue Impact to the Texas Mobility Fund - \$10 of each commercial vehicle safety inspection fee is dedicated to the Texas Mobility Fund. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 215,000 safety inspections, resulting in an estimated \$2,150,000 revenue decrease to the Texas Mobility Fund (\$2 x 215,000).

Revenue Impact to the Texas Emissions Reduction Plan- \$10 of each commercial vehicle safety inspection fee is dedicated to the Texas Emission Reduction Plan. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 215,000 safety inspections, resulting in an estimated \$2,150,000 revenue decrease to the Texas Emissions Reduction Plan (\$2 x 215,000).

In addition, the Department of Motor Vehicles notes that up to 750,000 commercial vehicles registered at the county level could be exempted from the commercial vehicle safety inspection requirement, should those vehicles be awarded a certificate of inspection in compliance with federal motor carrier safety regulations. Because it is unknown how many of the 750,000 would secure this certificate of inspection, the revenue impact is unknown, but presumed potentially to be significant.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety, 608 Department of Motor Vehicles, 601 Department of Transportation

**LBB Staff:** UP, AG, AI, JAW