

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 20, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1501 by Zaffirini (Relating to the regulation of motor vehicle towing, booting, and storage and to the elimination of required state licensing for vehicle booting companies and operators.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would repeal state licensing and regulation requirements for boot operators and booting companies effective September 1, 2018. The bill would authorize local authorities to regulate booting activities in areas where the authorities regulate parking or traffic, including the authority to incorporate requirements for booting companies and operators, establish procedures for vehicle owners and operators to file complaints, provide for the imposition of penalties on a booting company or operator, and provide for the revocation of the authority to boot vehicles. The bill would also repeal the tow training license.

The bill would amend the Occupations Code allowing a commissioners court in a county adjacent to a county with a population of more than 3.3 million to designate an employee of the sheriff's department to direct a towing company to remove a vehicle from a roadway that is impeding the safe movement of traffic and relocate the vehicle to the closest safe location for the vehicle to be stored.

Any fee paid by the towing company would be deposited in the county's general fund and may only be used for salaries and expenses associated with administering the program.

A towing company or towing operator would commit an offense punishable by fine only if they violate the provisions of the bill.

Except as otherwise specified, the bill would take effect immediately if it received a vote of two thirds of all the members elected to each house. If it does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2017.

The Texas Department of Licensing and Regulation estimates there would be an annual loss of approximately \$11,650 beginning in fiscal year 2019 and minimal savings to the agency associated with the deregulation of the industry and the repeal of the tow training license.

Based on the analysis of Texas A&M University System Administrative and General Offices, University of Houston System Administration, The University of Texas System Administration, and the University of North Texas System Administration, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing

resources.

Local Government Impact

According to Texas Association of Counties, no fiscal impact to counties is anticipated.

The bill would establish a misdemeanor offense punishable by fine not less than \$1 or more than \$200. The revenue generated by the fine is not expected to be significant.

Source Agencies: 452 Department of Licensing and Regulation, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration

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