LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director   Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1666** by Martinez (Relating to the authorization by referendum on an optional county fee on vehicle registration in certain counties.), **As Introduced**

> **No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to authorize certain counties to impose an additional vehicle registration fee for optional improvements.

According to the Department of Motor Vehicles, (TxDMV) there will be a programming cost to the State in fiscal year 2020. Programming will also be required for the TxIRP System to accommodate the new fee. Costs would be paid out of Texas Department of Motor Vehicles Fund 10 (Other Funds). This analysis assumes these costs can be absorbed within current resources.

Local Government Impact

According to TxDMV, in fiscal year 2018 there were 940,342 vehicles registered in Cameron, Willacy and Hidalgo Counties. To arrive at the number of registered vehicles for purposes of estimating local revenue increase, the agency applied a 1.5 percent growth rate to the 2018 base through 2024.

Collection of the new $2 Optional County Fee for Regional Improvements could begin on January 1, 2021 and result in eight months of revenue for fiscal year 2021 and 12 months of fee collection thereafter.

Total local revenue gain for fiscal years 2021 through 2024 is estimated at $7,389,598.

According to the Texas Association of Counties, the bill is not expected to have a fiscal impact on the three counties that would be authorized to hold an election to enact an optional vehicle registration fee. All potential fee collections would be allocated to regional planning commissions and municipalities.

Source Agencies: 608 Department of Motor Vehicles
LBB Staff: WP, JGAn, SD, GP, TG, AF