

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 9, 2019**

**TO:** Honorable Poncho Nevárez, Chair, House Committee on Homeland Security & Public Safety

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

**IN RE:** **HB1750** by Leman (Relating to the inspection period for a motor vehicle; increasing certain fees.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds for HB1750, As Introduced:** an impact of \$0 through the biennium ending August 31, 2021.

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
2020	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from Texas Mobility Fund 365	Probable Savings/(Cost) from Clean Air Account 151	Probable Revenue Gain/(Loss) from Clean Air Account 151
2020	\$70,545,000	(\$800,000)	\$42,115,000
2021	(\$66,410,000)	\$0	(\$36,873,000)
2022	\$72,359,000	\$0	\$43,159,000
2023	(\$67,744,000)	\$0	(\$37,614,000)
2024	\$73,813,000	\$0	\$44,026,000

**Fiscal Analysis**

The bill would amend the Health and Safety and Transportation codes relating to the inspection

period for a motor vehicle. The bill would increase the portion of fees deposited to General Revenue-Dedicated Clean Air Account No. 151 from inspection fees of previously registered cars from \$2 to \$4 and eliminates the provision requiring that \$2 of each inspection fee of new vehicles be deposited to this account. The bill would require that inspections take place biennially for the exception of moped inspections which would take place annually. The bill would increase the fee for the inspection of a motor vehicle other than a moped from \$12.50 to \$18.50 and would direct that \$11.50 of this fee be remitted to the state. The bill would eliminate the two-year inspection period for new passenger cars or light trucks.

The bill would take effect September 1, 2019.

## **Methodology**

This estimate is based on information provided by the Comptroller of Public Accounts which takes into consideration Comptroller records, new and used vehicle data provided by the Department of Motor Vehicles, and the Comptroller's 2020-21 Biennial Revenue Estimate.

Under current law motor vehicle inspections are required annually and the inspection fee for a motor vehicle is \$12.50 of which \$5.50 is remitted to the state. Under the bill's provisions, motor vehicles other than mopeds would be required to be inspected every other year and the inspection fee would be increased to \$18.50 of which \$11.50 would be remitted to the state with \$4 deposited to the credit of General Revenue-Dedicated Clean Air Account No. 151 and the remaining \$7.50 deposited to the credit of the Texas Mobility Fund. In addition, under provisions of the bill, the two-year inspection period for new passenger cars or light trucks is eliminated of which the portion remitted to the state from the inspection fee was \$14.75.

As reflected in the tables above, implementation of a biennial inspection program on the existing vehicle population would result in an uneven distribution of vehicle inspections across each two-year period. This estimate assumes that most biennial inspections would begin in fiscal year 2020 and that most vehicles would subsequently be inspected in even-numbered fiscal years. This estimate assumes that only newly-registered vehicles would be inspected in odd-numbered fiscal years.

In addition, based on information provided by the Texas Commission on Environmental Quality, this estimate assumes TCEQ would be required to modify vehicle emissions analyzer software to align the safety inspection sequence to the items of inspection as provided in the bill for an estimated one-time cost of \$800,000 in fiscal year 2020.

This analysis assumes that duties and responsibilities for implementing the remaining provisions of the bill at the Department of Motor Vehicles, Department of Public Safety, and Texas Department of Transportation could be absorbed within each agency's existing resources.

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.

## **Technology**

TCEQ would be required to modify vehicle emissions analyzer software to align the safety inspection sequence to the items of inspection as provided in the bill for an estimated one-time cost of \$800,000 in fiscal year 2020.

### **Local Government Impact**

According to TCEQ, this bill would result in a biennial cost increase for governmental inspection stations that conduct their own inspections from the amount of inspection fees that would be required to be remitted to the state.

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality, 601 Department of Transportation, 608 Department of Motor Vehicles

**LBB Staff:** WP, LBO, MW, GDz, AI, TG, SMi