

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 17, 2019

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

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

IN RE: **HB3221** by Krause (relating to the issuance of certain specialty license plates; authorizing fees.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 503 and 504 of the Transportation Code to authorize the Department of Motor Vehicles (DMV) to issue no more than three specialty license plate designs to be used for dealer general issue plates and dealer personalized plates and set a fee of \$30 for the specialty plates. The bill would authorize the issuance of State Official license plates to be issued on specialty license plate designs offered by the specialty license plate marketing vendor in accordance with Subchapter J, Chapter 504 of the Transportation Code. The bill would take effect on September 1, 2019.

The bill would require DMV to implement three new dealer specialty plate designs. DMV reports that the bill would also require the creation of 120 State Official specialty license plate designs based on the current number of designs provided by the specialty license plate marketing vendor. DMV would incur one-time information technology programming costs to implement each of the new specialty license plate designs. Based on LBB's analysis of information provided by DMV, it is assumed any costs associated with implementing the new specialty plates would be absorbed within the agency's existing resources.

The \$30 dealer specialty plate fee would be deposited to the Texas Department of Motor Vehicles Fund (TxDMV Fund). For specialty plates sold by the specialty license plate marketing vendor, DMV reports that out of each plate fee paid (\$150 for personalized and \$50 for non-personalized for a one-year term), \$8.00 is deducted for administrative costs: \$7.50 is received by the state and \$0.50 is received by the counties. After deduction of the administrative costs, the state receives 40 percent of revenue from initial specialty plate sales and 95 percent of revenue from renewals, which is deposited to the General Revenue Fund. Based on the information and analysis provided by DMV, it is assumed the sale and issuance of new dealer and State Official specialty plate designs authorized by the bill would not result in a significant impact to the TxDMV Fund or the General Revenue Fund.

Local Government Impact

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

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, TG