

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 2, 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 license plates and tags.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 503 and Chapter 504 of the Transportation Code to allow the issuance of general issue dealer's license plates, dealer personalized license plates, and State Official license plates to be issued on specialty license plate designs offered by the specialty license plate marketing vendor in accordance Subchapter J, Chapter 504 of the Transportation Code. The bill would take effect on September 1, 2019.

The Department of Motor Vehicles (DMV) reports that implementation of the bill would require the implementation of 123 new specialty license plate designs, including 120 general dealer plate designs based on the current number of designs offered by the specialty plate marketing vendor and three personalized dealer plate designs. DMV would incur one-time information technology programming costs to implement each of the new specialty plate designs. Based on the information provided by DMV, this analysis assumes any costs associated with implementing the new specialty plates would be absorbed within the agency's existing resources.

From each fee paid for specialty plates sold by the specialty plate marketing vendor (\$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 specialty plate designs authorized by the bill would not result in a significant impact to the State 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