

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 6, 2019

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

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

IN RE: **SB604** by Buckingham (relating to the continuation and functions of the Texas Department of Motor Vehicles and to the operations of certain other entities performing functions associated with the department.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the sunset provision for the Department of Motor Vehicles (DMV) in Chapter 1001 of the Transportation Code to continue the agency until September 1, 2031. The bill would require DMV to maintain a system to promptly and efficiently act on complaints and maintain certain information, including the parties to and subject matter of complaints, a summary of the results of the review or investigation of complaints, and the disposition of complaints.

The bill would amend Chapter 2301 of the Occupations Code to eliminate the motor vehicle industry "representative" license requirement and the associated licensing and renewal fees.

The bill would amend Chapter 2302 of the Occupations Code to eliminate certain separate endorsements for which an applicant for a salvage vehicle dealer's license may apply, eliminate the salvage vehicle agent license, and establish one license for the conduct of various salvage vehicle industry activities. The bill would authorize the DMV board to establish the valid term and expiration date for a salvage dealer license, which is prescribed at one year from the date of issuance under current law. The bill would require the DMV board to prorate the applicable fee if the board were to prescribe a license period other than one year.

The bill would amend Chapter 520 of the Transportation Code to require a county tax assessor-collector who contracts with a third party deputy for the performance of vehicle registration and titling services to comply with certain standard state contracting practices, including purchase methods, competitive bidding, and state oversight under Government Code, Chapters 2155, 2261, and 2262. The bill would require DMV to implement a training program regarding the agency's automated registration and titling system and fraud identification and require DMV to require a person performing registration and titling services to complete the training.

The bill would establish the Motor Vehicle Crime Prevention Authority, by renaming amending the scope of motor vehicle crimes under the purview of the current Automobile Burglary and Theft Prevention Authority.

The bill would require DMV, using existing funds, to organize a study on the impact of the alternatively fueled vehicles (AFV) industry on the state, available options to collect fees from

AFV owners to replace the loss of motor fuel taxes, and the feasibility of establishing a fee for AFVs. The bill would require the study to be conducted by DMV, the Public Utility Commission, the Texas Department of Transportation, and Department of Public Safety. The bill would require DMV to submit a report with the results of the study not later than December 1, 2020.

The bill would take effect on September 1, 2019.

Based on the information and analysis provided by Sunset Advisory Commission (SAC) staff, DMV, and the Comptroller's office, it is assumed the elimination of the representative license, salvage agent license, and salvage dealer endorsements would not result in a significant impact to fee revenue receipts to the General Revenue Fund and the Texas Department of Motor Vehicles Fund. Pursuant to SAC recommendations and decisions for the DMV, it is assumed the DMV board would adjust the salvage vehicle dealer licensing fees to offset any revenue loss from elimination of the salvage agent license and salvage endorsements.

Based on LBB staff analysis of information provided by SAC staff and DMV, it is assumed any costs or duties required of DMV to implement the provisions of the bill could be absorbed within the agency's existing resources. This analysis assumes any savings realized by DMV from the elimination of requirements for certain licenses would be reallocated to offset any cost or duties required to implement other provisions of the bill.

This analysis assumes any costs or duties required of state oversight agencies relating to the monitoring of new contracting standards for county tax assessor-collectors required by the bill could be absorbed within existing resources.

Local Government Impact

Based on the information provided by SAC staff, it is assumed any costs or duties required of certain counties to implement the state contracting standards required by the bill could be absorbed within existing resources.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality, 601 Department of Transportation, 608 Department of Motor Vehicles

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