

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 23, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1199 by Metcalf (Relating to the number of license plates to be issued for and displayed on certain motor vehicles.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1199, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

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, Six- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2021	\$0
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Six-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Tx Dept of Motor Vehicles Fnd 10</i>
2021	(\$287,800)
2022	\$5,279,143
2023	\$5,358,330
2024	\$5,438,704
2025	\$5,520,285
2026	\$5,603,089

Fiscal Analysis

The bill would amend the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to issue only one license plate for attachment to the rear of a passenger car or light truck for which the plate is issued.

The bill would take effect on September 1, 2021.

Methodology

The bill would require TxDMV to issue one license plate, rather than a set of two plates, for a passenger car or light truck. Based on the information provided by TxDMV, it is assumed the agency would incur a one-time cost of \$287,800 to the Texas Department of Motor Vehicles Fund No. 10 (TxDMV Fund) for programming changes to the agency's automated systems.

Based on the information and analysis provided by TxDMV, it is assumed implementation of the bill would result in a decrease in the number of license plates produced for an estimated total reduction of approximately 18.3 million plates for the five-year period from fiscal year 2022 to 2026 (average of 3.7 million plates per fiscal year). TxDMV estimates that approximately 96 percent of plates issued are general issue plates at a production cost of \$1.47 per plate and four percent are special license plate designs at an average production cost of \$1.76. Based on the analysis provided by TxDMV, it is assumed the reduction in the number of plates produced would result in savings of \$5.3 million to the TxDMV Fund beginning in fiscal year 2022, with the amount of savings increasing at a rate of 1.5 percent each year thereafter.

Technology

The Texas Department of Motor Vehicles anticipates a one-time technology cost of \$287,000 in fiscal year 2021 for programming changes to the agency's automated registration and titling system and related applications.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, MB, TG