

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 24, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1698 by Raney (Relating to authorizing an optional county fee on vehicle registration in certain counties to be used for transportation projects.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to allow certain counties to impose an additional fee of not more than \$10 for a vehicle registered in the county. The bill would require the fee revenue collected to be sent to a regional mobility authority located in the county to fund long-term transportation projects.

The Department of Motor Vehicles (TxDMV) reports that any changes to county optional fees on vehicle registration that may result from implementation of the bill could be accommodated within the agency's existing registration systems.

Local Government Impact

The bill would apply to Brazos County. Based on the analysis provided by TxDMV, implementation of the optional fee in Brazos County could begin January 1, 2022, under the assumption that the commissioners court could pass a resolution, hold the required county election and receive approval of a majority of voters, and notify TxDMV by September 1, 2021, to begin charging the fee in calendar year 2022. Under these assumptions, TxDMV estimates a \$10 optional fee per registered vehicle in the county with an estimated annual growth rate of 1.5 percent in the number of registered vehicles would generate \$7.8 million in revenue over the five-year period from state fiscal year 2022 to 2026. Fee revenue would be sent to the local regional mobility authority to fund long-term transportation projects in Brazos County.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: JMc, LBO, AAL, TG, MB