

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 18, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1698** by Raney (relating to an optional county fee on vehicle registration in certain counties to be used for transportation projects.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Transportation Code §502.402, regarding an optional county fee for transportation projects, to authorize the commissioners court of a county that is part of a regional mobility authority (RMA) to impose an additional fee for a vehicle registered in the county. The bill would require that, for a county subject to the provisions of the bill, the fee must be approved by a majority of voters of the county at an election that may be ordered and held by the commissioners court for that purpose. For certain counties, the bill would stipulate that if the county has been authorized to increase the fee to an amount greater than \$10 (not to exceed \$20), then 50 percent of the additional revenue is to be credited to the county road and bridge fund.

The Texas 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**

TxDMV reports that the bill would authorize the following additional counties to impose the optional county fee under Transportation Code §502.402: Bowie, Brazos, Camp, Cass, Cherokee, Delta, Fannin, Grayson, Gregg, Harrison, Hunt, Lamar, Panola, Rusk, Smith, Titus, Travis, Upshur, Van Zandt, Williamson, and Wood Counties. Based on the analysis provided by TxDMV, implementation of the optional fee in these additional counties 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 these counties with an estimated annual growth rate of 1.5 percent in the number of registered vehicles would generate a combined \$141.4 million in revenue over the five-year period from state fiscal year 2022 to 2026. Fee revenue generated in a county would be sent to the local regional mobility authority to fund long-term transportation projects in the county.

**Source Agencies:** 608 Department of Motor Vehicles

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