

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**May 6, 2021**

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

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

**IN RE: HB2933** by Martinez (relating to fees imposed on registration of a motor vehicle for which registration is applied for by a motor vehicle dealer; imposing a fee.), **Committee Report 1st House, Substituted**

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

The bill would amend the Transportation Code to add new Section §502.360 to impose an additional fee of \$25 per registration year on the registration of a motor vehicle for which registration is applied for by a motor vehicle dealer on behalf of a purchaser upon the sale of a vehicle. The bill would stipulate that certain optional additional county fees authorized under Subchapter H, Chapter 502 of the Transportation Code, including §502.401 (optional fee for County Road and Bridge Fund (CRBF)), §502.402 (optional fee for transportation projects), or §502.403 (optional fee for child safety), may not be imposed on the vehicle. The bill would require the \$25 fee to be deposited to the CRBF in the county where the owner of the vehicle is domiciled, provided that if the county imposes an additional fee under Subchapter H, an amount equal to the additional fee imposed under that subchapter shall be deposited, remitted, and used, as applicable, in accordance with the provisions authorizing the additional fee. The bill would take effect on September 1, 2021.

Based on the information provided by the Texas Department of Motor Vehicles (TxDMV), it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources. According to the Comptroller's office and TxDMV, implementation of the bill would not result in an impact to state revenue.

**Local Government Impact**

To the extent that the amount of the additional fee required by the bill exceeds the amount a county receives from optional fees paid at the time of vehicle registration, implementation of the bill would result in a revenue gain to the county. The Texas Department of Motor Vehicles estimates an overall revenue gain to County Road and Bridge Funds of approximately \$364.6 million over the five-year period from fiscal year 2022 to 2026.

**Source Agencies:** 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

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