

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 15, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3514** by Canales (relating to the functions of the Texas Department of Motor Vehicles; authorizing a penalty.), **Committee Report 1st House, Substituted**

Because the timing and amount of any penalties that may be assessed and collected is unknown, the fiscal impact to the State cannot be determined at this time.

The bill would amend Tax Code §23.121 to authorize rather than require a chief appraiser, if a motor vehicle dealer has failed to file a vehicle dealer property tax declaration, and report the dealer to the Texas Department of Motor Vehicles (TXDMV) to initiate cancellation of the dealer's general distinguishing number.

The bill would amend Transportation Code §1006.152 to authorize the Motor Vehicle Crime Prevention Authority (MVCPA) to recover from an insurer any costs associated with a denied or improperly requested refund of a fee imposed under §1006.153. The bill would amend §1006.153 to impose a penalty on an insurer for the delinquent payment of the fee required by that section or the delinquent filing of any report of the fee required by rule and require revenue collected from the penalty to be allocated to the General Revenue Fund and the Designated Trauma Facility and Emergency Medical Services Account in the same proportions prescribed by §1006.153 for collections from the fee on insurers. The bill would authorize the MVCPA to audit or contract for the audit of fees paid by an insurer under §1006.153.

Because the timing and amount of any penalties that may be assessed and collected by the MVCPA is unknown, the fiscal impact to the State cannot be determined at this time. The collection of penalties authorized by the bill would result in an indeterminate revenue gain to the General Revenue Fund (40 percent of collections) and the GR Account 5111 - Designated Trauma Facility and Emergency Medical Services (60 percent of collections).

Based on the information provided by TxDMV, it is assumed any costs or duties associated with implementation of the provisions of the bill could be absorbed within the agency's existing resources.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, TG, MB