

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

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

**April 11, 2021**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

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

**IN RE: HB4010** by Spiller (Relating to the filing of certain reports by distributors of certain off-highway vehicles purchased outside this state; providing civil penalties.), **As Introduced**

<p><b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB4010, As Introduced : a positive impact of \$300,000 through the biennium ending August 31, 2023.</p>
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**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$0
2023	\$300,000
2024	\$325,000
2025	\$340,000
2026	\$355,000

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Revenue Gain from General Revenue Fund 1</b>
2022	\$0
2023	\$300,000
2024	\$325,000
2025	\$340,000
2026	\$355,000

**Fiscal Analysis**

The bill would amend the Tax Code to require a distributor of off-highway vehicles, as defined by the bill, to file a report with the Comptroller listing each warranty issued by the distributor for a new off-highway vehicle sold to a resident of Texas. A distributor who fails to file the required report would be subject to a civil penalty of not less than \$25 and not more than \$2,000 for each day a violation occurs.

The bill would take effect September 1, 2021.

**Methodology**

The Comptroller indicates that additional information required to be reported may help with identification by the comptroller of purchases on which use tax may be due and result in a marginal increase in tax collections,

with the increase beginning in the year after the reports are first due.

**Local Government Impact**

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

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

**LBB Staff:** JMc, KK, AAL, SD