

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 12, 2021**

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

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

**IN RE: SB1123** by Perry (relating to the issuance of and contracts for certain services related to certain specialty license plates.), **Committee Report 2nd House, Substituted**

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

The bill would amend Subchapter G, Chapter 504 of the Transportation Code to require the Texas Department of Motor Vehicles (TxDMV) to issue "Family First" specialty license plates. The bill would stipulate that the fee for issuance of the plates, after deduction for DMV administrative costs, is to be deposited to an account created by the Comptroller in the License Plate Trust Fund and may only be used by the Texas Education Agency (TEA) to make grants to a nonprofit organization with chapters operating in Texas schools. The bill would amend Transportation Code §504.851 to authorize a contract entered into by TxDMV and a private vendor for the marketing and sale of specialty license plates to allow the private vendor to establish a range of premium embossed license plates to be sourced, marketed, and sold by the private vendor. The bill would take effect on September 1, 2021.

Based on information provided by DMV and TEA, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agencies' existing resources. The fee for issuance of a specialty license plate under Subchapter G, Chapter 504 of the Transportation Code is \$30.00. Out of this amount \$7.50 would be deposited to the Texas Department of Motor Vehicles Fund for TxDMV administrative costs, \$0.50 would be retained by the counties for administrative costs, and the remaining \$22.00 would be deposited to the License Plate Trust Fund, pursuant to Transportation Code §504.6012, for use by TEA as authorized by the bill. Based on the information and analysis provided by DMV, it is assumed the issuance of the new "Family First" specialty plate would not result in a significant fiscal impact to the State.

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, 608 Department of Motor Vehicles, 701 Texas Education Agency

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