

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**May 26, 2021**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

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

**IN RE: SB1816** by Seliger (Relating to certain temporary vehicle permits and tags.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1816, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**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	\$0
2024	\$0
2025	\$0
2026	\$0

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

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from Texas Department of Motor Vehicles Fund 10</b>	<b>Probable Revenue Gain/(Loss) from Texas Department of Motor Vehicles Fund 10</b>
2022	(\$362,000)	\$0
2023	\$0	\$19,285
2024	\$0	\$19,570
2025	\$0	\$19,855
2026	\$0	\$20,140

**Fiscal Analysis**

The bill would amend the Transportation Code to authorize TxDMV to establish by rule the maximum number of temporary tags that a motor vehicle dealer or converter may obtain.

Effective on September 1, 2022, the bill would amend Transportation Code §504.154 to remove restrictions regarding the eligibility for a registered vehicle to be equipped with a digital license plate.

The bill would also amend Chapter 99 of the Health and Safety Code, as added by the enactment of House Bill 306, Eighty-sixth Legislature, Regular Session, to create the Open Burn Pit Registry Fund in the state treasury outside the General Revenue Fund. The new fund would be composed of money transferred to the fund by the Legislature, contributions of gifts and grants to the fund, and earnings of the fund, and money transferred to the fund from certain specialty license plate fees. The bill would authorize money in the fund to be appropriated only to the Department of State Health Services (DSHS) for the purpose of creating and maintaining the open burn pit registry. The bill would amend Subchapter G, Chapter 504, Transportation Code, to require TxDMV to issue specialty license plates to honor members of the United States Armed forces who were exposed to open burn pits during their military service. The bill would stipulate that the fee for issuance of the plates, after deduction for TxDMV administrative costs, is to be deposited to the Open Burn Pit Registry Fund.

Except as otherwise provided by the bill, the bill would take effect on September 1, 2021.

## **Methodology**

TxDMV indicates any costs or duties associated with implementing the provisions of the bill relating to the maximum number of temporary tags that a motor vehicle dealer or converter may obtain could be absorbed within the agency's existing resources.

Under current law, passenger vehicles are not eligible to be equipped with a digital license plate unless the vehicle is part of a commercial fleet or is a government-owned vehicle with an exempt registration. The bill would remove these requirements. Based on the analysis provided by TxDMV, it is assumed TxDMV would incur a one-time technology cost of \$362,000 from the TxDMV Fund No. 10 to implement programming to the agency's automated Registration Titling System and related systems to accommodate the expanded eligibility authorized by the bill.

Based on the analysis provided by TxDMV, it is assumed 203 additional digital license plates would be issued in fiscal year 2023, the number of digital plates issued would increase by 1.5 percent each fiscal year, and payment of a \$95 administrative fee for each digital license plate issued would be remitted to TxDMV at the time of initial issuance and at the time of annual vehicle registration renewal, resulting in a revenue gain of \$19,285 to the TxDMV Fund No. 10 beginning in fiscal year 2023.

Based on the information provided by TxDMV and DSHS, it is assumed any costs or duties associated with implementing the provisions of the bill relating to the Open Burn Pit Registry Fund 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 allocated to the counties for administrative costs, and the remaining \$22.00 would be deposited to the Open Burn Pit Registry Fund for use by DSHS as authorized by the bill. Based on the information and analysis provided by TxDMV, it is assumed the issuance of the new 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.

## **Technology**

TxDMV anticipates a one-time technology cost of \$362,000 for programming changes to its automated systems to implement the provisions of the bill.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 608 Department of Motor Vehicles

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