

BILL ANALYSIS

H.B. 4447
By: Cook
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Vehicle storage facilities have not increased the amount of the impoundment fee, daily storage fee, and maximum notification fees they may charge since these amounts were frozen in the Occupations Code in the mid-2000s. The 86th Legislature enacted legislation authorizing the Texas Commission of Licensing and Regulation (TCLR) to adopt biennial price adjustments to the impoundment and daily storage fee amounts based on increases or decreases in the Consumer Price Index for All Urban Consumers (CPI-U) beginning in 2019. However, this change does not allow TCLR to adjust the maximum notification fee, which is currently capped at \$50, nor does it allow TCLR to address the CPI-U changes from 2005 to 2019. H.B. 4447 seeks to address these issues by requiring TCLR to adopt a one-time adjustment to the impoundment, daily storage, and maximum notification fee amounts to correspond to changes to the CPI-U from 2005 to 2019 and to reflect current prices. The bill additionally provides for a biennial CPI-U adjustment to the maximum notification fee in the same manner that such an adjustment may be provided for the impoundment and daily storage fees.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4447 amends the Occupations Code to require the Texas Commission of Licensing and Regulation (TCLR), not later than November 1, 2023, to adjust the following fees that the operator of a vehicle storage facility or governmental vehicle storage facility may charge the owner of a vehicle stored or parked at the facility by an amount equal to the amount of the applicable fee or maximum amount in effect on December 31, 2005, multiplied by the percentage increase or decrease, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) that occurred during the period beginning December 31, 2005, and ending December 31, 2019:

- the \$20 impoundment fee for any action that is taken by or at the direction of the owner or operator of the facility and is necessary to preserve, protect, or service a vehicle stored or parked at the facility;
- the \$20 daily storage fee for each day or part of a day that a vehicle not longer than 25 feet is stored at the facility and the \$35 daily storage fee for each day or part of a day a vehicle that is longer than 25 feet is stored at the facility; and
- the maximum \$50 notification fee for certain notices a license holder under the Vehicle Storage Facility Act must provide.

If such a fee or maximum amount is adjusted in that manner, TCLR must publish the adjusted fee or maximum amount on the Texas Department of Licensing and Regulation (TDLR) website not later than November 1, 2023. These one-time fee adjustment provisions expire September 1, 2025.

H.B. 4447 requires TCLR, not later than November 1, 2023, to increase the maximum amount of the notification fee for certain notices a license holder under the act must provide by an amount equal to the sum of the following:

- the maximum amount of the notification fee in effect on December 31, 2019, multiplied by the percentage increase TCLR applied to the impoundment fee and storage fees in the final rule providing biennial fee adjustments adopted by TCLR on October 25, 2019; and
- the maximum amount of the notification fee as adjusted under the bill's provisions based on the CPI-U multiplied by the percentage increase TCLR applied to the impoundment fee and the storage fees in the final rule providing biennial fee adjustments adopted by TCLR on October 29, 2021.

These one-time notification fee increase provisions expire September 1, 2025.

H.B. 4447 includes the maximum amount of the notification fee among the fees which TCLR may adjust by rule not later than November 1 of each odd-numbered year by an amount equal to the amount of the applicable fee in effect on December 31 of the preceding year multiplied by the percentage increase or decrease in the CPI-U. The bill changes the method of determining that increase or decrease for purposes of the fee adjustments from the percentage increase or decrease in the CPI-U during the preceding state fiscal biennium to the percentage increase or decrease, if any, in the CPI-U during the state fiscal biennium ending August 31 of the year in which TCLR adopts a final rule providing such biennial fee adjustments. The bill requires TCLR to publish on the TDLR website any adjustment made to maximum amount of the notification fee.

EFFECTIVE DATE

September 1, 2023.