

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 21, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB78 by Ortega (Relating to the authorization by referendum of an optional county fee on vehicle registration in certain counties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to allow certain counties to impose an additional fee of not more than \$10 for a vehicle registered in the county. The bill would require the fee revenue collected to be sent to a regional mobility authority located in the county to fund long-term transportation projects. The bill would require the Texas Department of Motor Vehicles (TxDMV) to adopt rules necessary to administer the registration for a vehicle being registered in the affected county.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or, otherwise, on September 1, 2023.

Based on the information provided by TxDMV, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources. Based on the analysis provided by the Comptroller of Public Accounts, it is assumed the bill would have no state revenue implications.

Local Government Impact

The bill would authorize El Paso County, with approval of voters in the county, to impose the additional optional fee on vehicles registered in the county.

Based on the analysis provided by TxDMV, implementation of the optional fee in El Paso County could begin no sooner than January 1, 2024, under the assumption that the fee is approved by voters at the earliest possible election date following the effective date of the bill. Under that assumption, TxDMV estimates a \$10 optional fee per registered vehicle in the county with an estimated annual growth rate of 1.5 percent in the number of registered vehicles would generate \$34.5 million in revenue over the five-year period from state fiscal year 2024 to 2028. Fee revenue would be sent to the local regional mobility authority to fund long-term transportation projects in El Paso County.

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

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