

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 4, 2023

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2102 by Miles (Relating to the initial registration and inspection period for certain rental vehicles; authorizing fees.), **As Introduced**

The fiscal implications of the bill cannot be determined due to the number of new rental cars registered in the state each year being unknown.

The bill would amend the Health and Safety and the Transportation Codes to extend the initial registration and inspection period for rental vehicles from two years to three years. The bill would add a \$4.00 fee for each initial inspection to be deposited to the credit of the Clean Air Account No. 151 (Account No. 151) and require the Department of Public Safety (DPS) to set the three-year registration and inspection fees each fiscal year to ensure the state receives at least the same amount of revenue it would have received if the vehicle was subject to a two-year inspection period.

According to the Department of Motor Vehicles (DMV) and the Comptroller of Public Accounts, the provisions of the bill would not impact revenue to the Texas Mobility Fund as it is assumed DPS would set the three-year registration and inspection fees to maintain revenue at current levels.

According to the Texas Commission on Environmental Quality, there may be a negative fiscal impact to Account No. 151 as a result of a decrease in revenue received from the \$4.00 per vehicle two-year inspection fee, but the amount cannot be determined due to the number of new rental cars registered in the state each year being unknown.

Based on information provided by DPS and DMV, it is assumed that agency costs associated with implementing the provisions of the bill can be accomplished with existing resources.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles

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