

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 8, 2025

TO: Honorable Tom Craddick, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4192 by Hayes (Relating to the registration and inspection of vehicles.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB4192, As Introduced: a negative impact of (\$97,243,000) through the biennium ending August 31, 2027.

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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$48,380,000)
2027	(\$48,863,000)
2028	(\$49,353,000)
2029	(\$49,847,000)
2030	(\$50,345,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>General Revenue Fund 1</i>	Probable Revenue Gain/(Loss) from <i>Clean Air Account 151</i>
2026	(\$48,380,000)	(\$55,268,000)
2027	(\$48,863,000)	(\$55,545,000)
2028	(\$49,353,000)	(\$55,824,000)
2029	(\$49,847,000)	(\$56,104,000)
2030	(\$50,345,000)	(\$56,385,000)

Fiscal Analysis

The bill would amend the Transportation Code to reduce the one-year vehicle inspection program replacement fee from \$7.50 to \$3.50 and reduce the two-year vehicle inspection program replacement fee from \$16.75 to \$12.75 and direct fees to be deposited to the Texas Mobility Fund. The bill would establish an inspection replacement fee of \$16.25 for the initial registration of a rental passenger car or light truck and direct the fee to be deposited to the Texas Mobility Fund. The bill would take effect on September 1, 2025.

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 in, with, or outside 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.

Methodology

Under current law, the one-year inspection program replacement fee is \$7.50, of which \$3.50 is deposited to Texas Mobility Fund 365 (Fund 0365), \$2.00 to the General Revenue Fund (Fund 0001), and \$2.00 to Clean Air Account No. 151 (GR Account 0151); and the two-year inspection program replacement fee is \$16.75, of which \$12.75 is deposited to Fund 0365, \$2.00 to the Fund 0001, and \$2.00 to GR Account 0151. The bill would change the one-year and two-year inspection program fees to \$3.50 and \$12.75, respectively, and direct all fees collected to be deposited to Fund 0365.

Based on data from the Comptroller of Public Accounts' *2026-27 Biennial Revenue Estimate*, the Comptroller's office estimates the bill would result in revenue losses to Fund 0001 and GR Account 0151 beginning in fiscal year 2026 as shown in the table above. No significant revenue impact is anticipated for Fund 0365.

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, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, GDZ, TG, AJL