

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 19, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5436 by Bell, Keith (Relating to an exception to the titling requirement for certain motor vehicles; creating a criminal offense; providing for a fee.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB5436, As Engrossed: an impact of \$0 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	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>Texas Department of Motor Vehicles Fund 10</i>
2026	(\$504,900)
2027	\$0
2028	\$0
2029	\$0
2030	\$0

Fiscal Analysis

The bill would allow a used automotive parts recycler (UAPRs) to purchase a motor vehicle without obtaining a title under certain circumstances. The bill would require a UAPR who purchases such a vehicle to report certain information to the Texas Department of Motor Vehicles (TxDMV) and require TxDMV within 48 hours of receiving the information to notify the UAPR whether the vehicle has been reported stolen. The bill would require the UAPR to provide information to the county tax-assessor of the county in which the UAPR is located regarding a purchased vehicle that is subject to any recorded security interest or lien along with a \$25 administrative fee. The bill would classify violations of certain requirements as misdemeanors or state jail

felonies under certain circumstances. Money generated from penalties collected for the related offenses could be used only for enforcement, investigation, prosecution, and training activities related to motor vehicle related offenses. The bill would take effect on September 1, 2025.

Methodology

TxDMV reports that the bill would require the department to perform stolen vehicle checks outside of the current vehicle title transfer process for transactions affected by the provisions of the bill. Based on the information provided by TxDMV, it is assumed the department would incur a one-time information technology cost of \$504,900 from TxDMV Fund No. 10 for required programming changes to the department's automated systems in the first year of implementation.

Because the number of related misdemeanor or state jail offenses committed and the associated state fines imposed for each offense is unknown, the fiscal impact to the state cannot be determined at this time. Based on the analysis provided by the Comptroller's office, it is assumed the the impact to the state would not be significant.

It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

Technology

TxDMV would incur a one-time information technology cost of \$504,900 in fiscal year 2026 for programming changes to the department's automated systems.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. It is assumed costs incurred by county tax assessor-collector offices would be offset by the administrative fee established by the bill. It is assumed that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement would not be significant.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

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