

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 5, 2011

TO: Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB1035 by Williams (Relating to motor vehicle title services; providing penalties.), As Introduced

The provisions of the bill would result in an indeterminate revenue gain to the State Highway Fund depending on the number of licenses that would be issued and/or renewed and the amount of the license fee that would be established by the Department of Motor Vehicles.

The bill would amend Subchapter E, Chapter 520, of the Transportation Code to require motor vehicle title services and title service runners to obtain a license from the Department of Motor Vehicles (DMV) to conduct business in Texas. The bill would authorize a county tax assessor-collector to require vehicle title services and title service runners to obtain permits to operate within the county's jurisdiction. The bill would require DMV by rule to establish license fees in amounts not to exceed \$500 for an original license and an amount not to exceed \$200 for a renewal, the proceeds of which would be deposited to the State Highway Fund. The license for a motor vehicle title service would expire two years from the date of issuance, and the license for a title service runner would expire one year from the date of issuance. The bill would authorize a county tax to charge a permit fee in an amount not to exceed the amount of the fee established by DMV. The bill would require the DMV to prescribe forms for application for licensure and for the recording and maintenance of certain transaction information by license holders. The bill would create a state jail felony for operating without the required license or violations of certain provisions of the bill. The bill would authorize a civil penalty not to exceed \$10,000 for each violation of the provisions of Subchapter E, Chapter 520, and require DMV to make rules to establish factors to be considered in determining the amount of a civil penalty. The aforementioned provisions of the bill would take effect on January 1, 2012.

The bill would require DMV to adopt rules and forms required by the bill no later than November 1, 2011.

Except as otherwise provided by the bill, the bill would take effect on September 1, 2011.

Based on the information provided by DMV, 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 of the Comptroller's office, it is assumed the provisions of the bill would result in a positive impact to the State's revenue and cash flow. Because the number of motor vehicle title services businesses and individuals who would apply for and/or renew a license and pay the fee established by DMV under the provisions of the bill is unknown, the provisions of the bill would result in an indeterminate revenue gain to the State Highway Fund.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

The Williamson County Tax Assessor-Collector reported no anticipated fiscal impact associated with the bill.

The Montgomery County Tax Assessor-Collector reported no anticipated fiscal impact associated with the bill.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 608 Department of Motor Vehicles

LBB Staff: JOB, KJG, MW, TG, KKR