

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

TO: Honorable Geanie W. Morrison, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB946 by Paul (Relating to vehicles exempt from vehicle safety inspections.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB946, As Introduced: a negative impact of (\$554,492) through the biennium ending August 31, 2019. Additionally, there would be a negative impact to the Texas Mobility Fund of (\$970,362) and to the Clean Air Account of (\$554,492) through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$277,246)
2019	(\$277,246)
2020	(\$277,246)
2021	(\$277,246)
2022	(\$277,246)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss)	Probable Revenue (Loss)	Probable Revenue (Loss)
	<i>from</i> <i>General Revenue Fund</i>	<i>from</i> <i>Texas Mobility Fund</i>	<i>from</i> <i>Clean Air Account</i>
1	365	151	
2018	(\$277,246)	(\$485,181)	(\$277,246)
2019	(\$277,246)	(\$485,181)	(\$277,246)
2020	(\$277,246)	(\$485,181)	(\$277,246)
2021	(\$277,246)	(\$485,181)	(\$277,246)
2022	(\$277,246)	(\$485,181)	(\$277,246)

Fiscal Analysis

The bill would amend the Transportation Code to increase the maximum gross weight under which a trailer, semitrailer, pole trailer or mobile home would be exempt from vehicle safety inspections from 4,500 pounds to 7,500 pounds.

It is assumed any costs associated with implementing the bill could be absorbed within current resources. However, the bill is estimated to have negative revenue implications to the General Revenue Fund, the Texas Mobility Fund, and the Clean Air Account.

Note: The bill would reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund. Article 3, Section 49-k, of the Texas Constitution, specifies that while money in the Texas Mobility Fund is pledged for the payment of any outstanding debt obligations, the Legislature may not reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund unless the Legislature by law dedicates a substitute or different source of revenue that is projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed.

The bill would take effect September 1, 2017.

Methodology

The Department of Motor Vehicles estimates the bill could result in a 138,623 decrease to the number of vehicle safety inspections conducted each year. Since portions of the vehicle safety inspection fee are dedicated to the General Revenue Fund, Texas Mobility Fund, and Clean Air Account, it is assumed the bill would have a corresponding negative revenue impact on these funds.

Revenue Impact to the General Revenue Fund - \$2 of each vehicle safety inspection fee is dedicated to the General Revenue Fund as a Texas.gov fee. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 138,623 safety inspections, resulting in an estimated \$277,246 revenue decrease to the General Revenue Fund ($\$2 \times 138,623$).

Revenue Impact to the Texas Mobility Fund - \$3.50 of each vehicle safety inspection fee is dedicated to the Texas Mobility Fund. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 138,623 safety inspections, resulting in an estimated \$485,181 revenue decrease to the Texas Mobility Fund ($\$3.50 \times 138,623$).

Revenue Impact to the Clean Air Account - \$2 of each vehicle safety inspection fee is dedicated to the Clean Air Account. This fiscal note assumes a decrease in fiscal year 2018 and in each fiscal year thereafter of 138,623 safety inspections, resulting in an estimated \$277,246 revenue decrease to the Texas Emissions Reduction Plan ($\$2 \times 138,623$).

Based on information submitted by the Department of Motor Vehicles, it is assumed any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation,
608 Department of Motor Vehicles, 405 Department of Public Safety

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