

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 22, 2009**

**TO:** Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

**IN RE: HB2854** by Hughes (Relating to license plates created by the Texas Department of Transportation for professional firefighters.), **Committee Report 2nd House, As Amended**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2854, Committee Report 2nd House, As Amended: a positive impact of \$106,388 through the biennium ending August 31, 2011, if the effective date of the bill is *MMM DD, 2009*; or a positive impact of \$98,204 through the biennium ending August 31, 2011, if the effective date of the bill is *MMM DD, 2009*.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**All Funds, Six-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>State Highway Fund</i> <b>6</b>	Probable Revenue Gain from <i>General Revenue Fund</i> <b>1</b>
2009	(\$8,184)	\$8,184
2010	(\$49,102)	\$49,102
2011	(\$49,102)	\$49,102
2012	(\$49,102)	\$49,102
2013	(\$49,102)	\$49,102
2014	(\$49,102)	\$49,102

Fiscal Year	Probable Revenue (Loss) from <i>State Highway Fund</i> <b>6</b>	Probable Revenue Gain from <i>General Revenue Fund</i> <b>1</b>
2010	(\$49,102)	\$49,102
2011	(\$49,102)	\$49,102
2012	(\$49,102)	\$49,102
2013	(\$49,102)	\$49,102
2014	(\$49,102)	\$49,102

**Fiscal Analysis**

The bill would amend the Transportation Code to allow the sponsor of a specialty license plate for professional firefighters to nominate a state agency for receipt of funds from the specialty plate fees. The bill would specify that the fees, after deduction of the Texas Department of Transportation's (TxDOT) administrative expenses, are to be deposited to the credit of an account in the state treasury to be used by the nominated state agency for making grants to support activities of a professional firefighters organization that meets the requirements specified by the bill.

The bill would specify that the fee for a souvenir license plate issued before September 1, 2009, is \$40; and the fee for a souvenir license plate issued after that date would be an amount established by

the Texas Transportation Commission (TTC) under Section 504.851 (c), Transportation Code, which is an amount necessary to recover certain contract costs and other direct and indirect costs to the Texas Department of Transportation (TxDOT).

The bill would specify that the \$30 fee for specialty license plates for general distribution does not apply to a specialty license plate marketed and sold by a private vendor at the request of a sponsor under other provisions of the bill.

The bill would specify that the fee for certain specialty license plates created after September 1, 2009, would be an amount established by TTC under Section 504.851, Transportation Code.

The bill would authorize sponsors of certain specialty license plates created before September 1, 2009, to contract with the private vendor authorized by TxDOT for the marketing and sale of the specialty license plates. The fee for the plates would be the amount established by TTC under Section 501.851 (c), Transportation Code: fees remaining after the deduction of TxDOT administrative costs would be deposited to the credit of a specialty license plate fund, if the sponsor nominated a state agency to receive the funds; or otherwise to the General Revenue Fund.

The bill would set the fee for the issuance of a personalized license plate issued before September 1, 2009, at \$40, unless the director adopts a higher fee by rule.

The bill would repeal Section 504.101, Transportation Code, relating to the issuance of personalized license plates, which establishes a \$40 fee for the issuance personalized plates (\$30 for replacement plates) and dedicates \$1.25 of each fee for TxDOT administrative costs and requires the remainder of each fee to be deposited to the General Revenue Fund. The bill would also repeal Section 504.851 (m), which requires personalized and souvenir license plate fees collected in excess of amounts for TxDOT administrative costs and contract costs to be deposited to the General Revenue Fund.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2009.

## **Methodology**

TxDOT indicates that fees from the Professional Firefighters specialty license plates are currently deposited to the State Highway Fund. Based on the information and analysis provided by TxDOT and the Comptroller's office, it is assumed the provisions of the bill would result in the transfer of \$9,100 from the State Highway Fund to the General Revenue Fund.

Based on the information provided by TxDOT, it is assumed the provisions of the bill would result in the deposit of \$40,002 in fee revenue to the General Revenue Fund rather than the State Highway Fund from fees collected on four specialty license plates issued by the department for which no state agency has been designated as a recipient of the fees (less deductions for TxDOT administrative costs).

If the bill receives the requisite vote to take immediate effect, it is assumed the transfer of the specialty plate revenues would begin on July 1, 2009 (fiscal year 2009). Otherwise, the transfer of fee revenues would begin in fiscal year 2010.

Because the amount of certain fees charged on the sale of specialty license plates can be set by the director and is not known, and because the number of specialty license plates and other plates sold by TxDOT and by a new private vendor is not known, the fiscal impact of these provisions is indeterminate.

Based on the analysis of the TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill would be absorbed within the agency's existing resources.

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 with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code

403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

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