

SUBJECT: Creating a new motor vehicle registration fee to support trauma centers

COMMITTEE: Transportation — favorable, with amendment

VOTE: 6 ayes — Alexander, Y. Davis, Edwards, Hamric, Noriega, Swinford

1 nay — Pickett

2 absent — Hawley, Hill

WITNESSES: For — Guy L. Clifton; James P. McMichael, Texas Medical Association; Amir Dan Rubin, Memorial Hermann Hospital; Tim Schauer, Memorial Hermann Healthcare System; *Registered but did not testify*: Ed Berger, Seton Healthcare Network; Jennifer G. Cutrer, Parkland Health & Hospital System; Sonal Gupta, Sister Michele O'Brien, Linda Rushing, Texas Conference of Catholic Health Facilities; John Umphress, Texas Association of Public & Nonprofit Hospitals; Dinah Welsh, Texas Hospital Association

Against — Patrick Butler, Texas National Organization for Women

On — Darrel Hunt, Texas Department of Transportation

BACKGROUND: Transportation Code, ch. 502 sets annual motor vehicle registration fees for passenger cars and municipal and private buses at \$58.50 if three years old or less; \$50.50 if more than three but less than six years old; and \$40.50 if more than six years old. The motorcycle fee is \$30. The base fee for commercial motor vehicles (trucks) and truck-tractors is \$25, plus an additional amount determined by gross weight and tire type. The chapter also sets fees for other types of vehicles. The Texas Department of Transportation (TxDOT) registered approximately 17.2 million vehicles in fiscal 2000. According to the LBB, TxDOT will register an estimated 17.7 million vehicles in fiscal 2002. Registrations are projected to increase by 1.7 percent annually.

In 1999, the 76th Legislature amended the Health and Safety Code, ch. 46 to create the dedicated Tertiary Care Account in the state treasury. Money in the account may be appropriated only to the Texas Department of Health.

The account helps defray costs of a variety of medical services provided to indigent out-of-county residents at trauma centers and medical schools' primary teaching hospitals. The account originally was funded by unclaimed lottery prize money, which has averaged about \$16 million a year.

DIGEST: HB 893, as amended, would create an additional \$5 fee in conjunction with motor vehicle registration to obtain license plates or other insignia. County assessor-collectors would collect the fee, less up to 10 percent for cost recovery, and remit the balance monthly to the Comptroller of Public Accounts for deposit into the tertiary care account.

The bill would take effect September 1, 2001.

SUPPORTERS SAY: HB 893 would provide the state's overburdened trauma center network with a much-needed \$80 to \$86 million a year between 2002 and 2006. Without this infusion, the system could face possible collapse.

According to a recent hospital survey, costs of providing indigent trauma care have been averaging \$65 million a year and are expected to escalate. The average loss at 10 mostly urban hospitals surveyed recently was \$18 million a year. Federal indigent funding reductions, increased numbers of uninsured patients, and the repeal of the motorcycle helmet law are contributing factors. Continued losses will prevent expansion and could lead to service reductions.

Texas has the highest annual number of motor vehicle deaths in America. The number of trauma victims in Texas is growing along with increases in vehicle miles traveled. Assessing a fee to motorists when they register their vehicles comes closest to a user fee for these facilities. Most indigent patients are victims of traffic accidents. In the recent hospital survey cited above, 90 percent of the trauma victims were injured in car wrecks. They need emergency services regardless of where they live or drive, so strengthening trauma centers throughout the state would benefit all Texans, not just those who live near the centers.

HB 893 would create a new fee assessed to motorists when they register their vehicles or renew their registration. The bill would not increase the

motor vehicle registration fee that is dedicated to Fund 6 and, therefore, would avoid the constitutional dedication of registrations fees.

OPPONENTS
SAY:

The fee that HB 893 would create may be unconstitutional. Art. 8, sec. 7-a of the Texas Constitution requires that all net revenues from motor vehicle registration fees must be deposited into the State Highway Fund to be appropriated for specific transportation-related expenditures. Charging motorists another \$5 when they register their vehicles would be tantamount to raising the registration fee. Vehicle registration revenue is sorely needed for upgrading and expanding Texas' neglected roads, bridges and highways. It should not be diverted to other purposes for which it is not dedicated, however worthwhile.

Skyrocketing costs of treating traffic accident victims are not necessarily related to owning or operating a vehicle in general but to unsafe and perhaps unlawful driving in particular. Law-abiding motorists who safely use state roads and highways should not have to subsidize those who do not.

Although the need may be great, a "new" \$5 fee is too large to be absorbed all at once. That would be a 10 percent increase, in effect, for many motorists simply to operate their vehicles. Many of these drivers may never use a trauma center.

OTHER
OPPONENTS
SAY:

It would make more sense to assess additional fees or fines on motorists issued traffic citations for accidents or for persons convicted of driving while intoxicated. A \$36 hike in DWI fees would raise about the same amount of money as the \$5 fee. Another option would be dedicating an increase in taxes on liquor, beer and wine, given the fact that drunk driving contributes heavily to traffic fatalities.

More of, if not all, the revenue from the fee should be spent locally in proportion to collections.

NOTES: The committee amendment would raise the fee from \$1 to \$5; allow county assessor-collectors to retain up to 10 percent of fee collections for administrative cost reimbursement; and specify monthly fee collections remittance to the comptroller.