LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 1st CALLED SESSION - 2003

July 14, 2003

TO: Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SB21** by Ogden (Relating to the financing, construction, improvement, maintenance, and operation of toll facilities by the Texas Department of Transportation and the disposition of money generated by the driver responsibility program, fines imposed for certain traffic offenses, and certain fees collected by the Department of Public Safety; making an appropriation.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB21, Committee Report 1st House, Substituted: a positive impact of $231,652,000 through the biennium ending August 31, 2005.

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
2004	$0
2005	$231,652,000
2006	$0
2007	$0
2008	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from *GENERAL REVENUE FUND* 1	Probable Revenue Gain/(Loss) from *TEXAS MOBILITY FUND* 365
2004	$0	$0
2005	$231,652,000	($132,852,000)
2006	$0	$0
2007	$0	$0
2008	$0	$0

Fiscal Analysis

The bill would amend changes to the Transportation Code made by House Bills 3184 and 3588 and Senate Bills 631 and 1904, Acts of the 78th Legislature, Regular Session, 2003, relating to the financing, construction, improvement, maintenance, and operation of toll facilities by the Texas Department of Transportation and the disposition of money generated by the driver responsibility program, fines imposed for certain traffic offenses, and certain fees collected by the Department of Public Safety (DPS).

House Bill 3588 would have created the Texas Mobility Fund Debt Service Account (TMFDSA). Under the provisions of Senate Bill 21, the TMFDSA would not be created. The bill would also amend House Bill 3588 to change the dedication of certain DPS fees for fiscal 2005, including driver's license fees and inspection fees, from the Texas Mobility Fund (TMF) to the General Revenue fund. The bill would also extend the county authorization to file a declaration of taking, under certain circumstances, to include a county with a population of 3.3 million or more.

The bill would raise minimum fines assessed in misdemeanor traffic offenses to $31, from the current minimums of $1 (for a general penalty) and $25 (for seat belt or riding in open bed offenses). The bill would require $30 of each fine to be deposited in an interest-bearing account in either municipal or county treasuries and then subsequently be remitted to the Comptroller in accordance with the bill. The bill would require the Comptroller to deposit 67 percent of the revenues received to the credit of the General Revenue fund and 33 percent to the credit of General Revenue Dedicated Trauma Facility and Emergency Medical Services Account. The bill would amend House Bill 3588 to require portions of revenues generated in fiscal years 2004 and 2005 in excess of $250 million from an aggregate total of all fines imposed for certain traffic offenses and Driver Responsibility Program fees to be deposited to the credit of the TMF instead of the TMFDSA and the General Revenue fund.

The bill would appropriate an amount equal to the amount of DPS fees, including fees for drivers licenses and inspection fees, deposited to the credit of the General Revenue fund in fiscal 2005, out of block granted or undedicated federal fiscal relief funds to the Comptroller for the 2004-05 biennium, for the purposes described by the Article IX, Section 11.28, of the General Appropriations Act, 78th Regular Session (House Bill 1). In addition, the bill would amend Article IX, Section 11.28 (a) of House Bill 1, to remove the reference to implementation of Article IX, Section 11.15, Contingency Appropriation Reduction and Contingency Appropriation, and add language to make the funds appropriated as directed by the Governor and Legislative Budget Board.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses, except for subsections 20, 24, 25, 26, 27, and 33, which would take effect September 1, 2003; otherwise, the bill would take effect on the 91st day after the last day of the legislative session. Changes with a measurable fiscal impact are discussed below.

Methodology

This analysis includes the latest certification findings provided by the Comptroller of Public Accounts.

Section 30 of the bill would appropriate certain sums already appropriated in the General Appropriations Act, 78th Regular Session, House Bill 1. According to the Comptroller, this section would not have the effect of appropriating funds and, therefore, would have no fiscal effect.

Based on data from the Comptroller's 2004-05 Biennial Revenue Estimate, the bill would direct approximately $231.6 million in fiscal year 2005 to be deposited to the credit of the General Revenue fund instead of the TMF.

The bill would also require 49.5 percent of the revenues generated from the Driver Responsibility Program and 67 percent of revenues received by the Comptroller from fines imposed for certain traffic offenses to be deposited to the credit of the TMF instead of the TMFDSA and the General Revenue fund in fiscal years 2004 and 2005. Although the Comptroller has determined that the estimated General Revenue gains of $98.8 million in fiscal years 2006 and 2007 from fines imposed for certain traffic offenses would be available for general purpose expenditures upon enactment of the bill, no General Revenue impacts are reflected in the table above for these fiscal years because similar General Revenue gains were previously reflected in the cost estimate for House Bill 3588.

No gains to the TMF are reflected from Driver Responsibility Program generated revenues based on certification findings; however, approximate gains of $98.8 million in fiscal year 2005 from fines imposed for certain traffic offenses are reflected in accordance with amounts identified by the Comptroller and the requirements of the bill. Based on the Comptroller's interpretation and certification findings, this analysis assumes that a transfer of approximately $82.3 million would have been made under the provisions of House Bill 3588 from the TMFDSA to the TMF in fiscal year 2004 pursuant to a payment requirement for obligations assumed to be issued from the TMF during that year. Since the revenue would have been available to the TMF in 2004 through the anticipated transfer under the provisions of House Bill 3588, it is not reflected in the table above. Any revenues generated from the Driver Responsibility Program during fiscal years 2004 and 2005 would result in a corresponding increase to the TMF in accordance with the bill.

Local Government Impact

The bill would remove the authority for municipalities and counties to retain 5 percent of amounts collected from the additional $30 court costs established under House Bill 3588 (approximately $7.4 million), but would allow municipalities and counties to retain interest earned from $30 fines imposed for certain traffic offenses deposited in interest-bearing accounts in their treasuries prior to remittance of the fines to the Comptroller. The bill would also establish new minimum levels for traffic fines that would result in revenue losses to local governments where counties and municipalities were already imposing related traffic fines at or near the maximum levels.

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

LBB Staff: JK, JO, RR, RT, MW