

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 21, 2003

TO: Honorable David Swinford, Chair, House Committee on Government Reform

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1152 by Shapleigh (Relating to the use of TexasOnline.), **Committee Report 2nd House, As Amended**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1152, Committee Report 2nd House, As Amended: a positive impact of \$295,343 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	\$98,871
2005	\$196,472
2006	\$463,486
2007	\$463,486
2008	\$463,486

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2004	\$98,871
2005	\$196,472
2006	\$463,486
2007	\$463,486
2008	\$463,486

Fiscal Analysis

The bill amends Section 2054 of the Government Code relating to the use of TexasOnline. The bill would implement recommendation GG 21 from the Comptroller's *e-Texas* report, *Limited Government, Unlimited Opportunity*. The Act takes effect immediately if it receives a vote of two-thirds of all members of each house; otherwise it takes effect September 1, 2003.

Methodology

The Department of Information Resources, based on their business model, estimated revenues from original occupational licenses and license renewals, and Texas Department of Transportation vehicle registrations via TexasOnline would result in General Revenue gains of \$98,871 for fiscal year 2004, \$196,472 for fiscal year 2005, and \$463,486 for fiscal years 2006 through 2008.

The Department of Information assumed the following in calculating the revenue that would be generated from online occupational license original and license renewals: (1) the license population is constant, (2) no increase in license fees by the agencies specified in the Act, (3) subscription fees would be set at the maximum rate allowed for original licenses, and (4) penetration rate at 5% for the first year a license goes online, 20% penetration rate (percentage of population using TexasOnline) for the second year, and a penetration rate of 40% in subsequent years. The increase related to the Texas Department of Transportation vehicle registration renewals was based on a penetration rate of 2% in fiscal year 2004, 4% in fiscal year 2005, and 6% for fiscal years 2006 through 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 313 Department of Information Resources, 301 Office of the Governor, 304 Comptroller of Public Accounts

LBB Staff: JK, GO, BL