

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 18, 2005

TO: Honorable Joe Driver, Chair, House Committee on Law Enforcement

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

IN RE: HB344 by Berman (Relating to the civil consequences of a conviction for certain offenses involving driving while a driver's license is invalid or driving without evidence of financial responsibility.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB344, As Introduced: a positive impact of \$4,511,308 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$2,255,654
2007	\$2,255,654
2008	\$2,255,654
2009	\$2,255,654
2010	\$2,255,654

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2006	\$2,255,654
2007	\$2,255,654
2008	\$2,255,654
2009	\$2,255,654
2010	\$2,255,654

Fiscal Analysis

The bill would amend the Transportation Code as it relates to the civil consequences of a conviction for certain offenses involving driving while a driver's license is invalid or driving without evidence of financial responsibility.

The bill would require the Department of Public Safety (DPS) to suspend the driver's license of a person convicted under Section 601.191, Transportation Code. The bill provides a suspension period of six months for persons with one previous conviction under Section 601.191, Transportation Code and a suspension period of one year for persons with two or more previous convictions under Section 601.191, Transportation Code.

The bill reduces the requirement to pay a surcharge fee from three years to one year upon conviction of an offense under Sections 521.457, 601.191, or 601.371, Transportation Code, provided the person does not commit a subsequent offense. The bill would establish a \$250 surcharge if a second

conviction occurs within 24 months and a \$250 surcharge if a third or subsequent conviction occurs within 36 months. Under current statutes, a \$250 surcharge is applied to any conviction within the previous 36 months.

The change in law made by this bill to Section 601.231, Transportation Code, applies only to an offense committed on or after the effective date of this Act.

The bill would take effect September 1, 2005.

Methodology

The bill requires DPS to take suspension action on all subsequent convictions under Section 601.191, Transportation Code.

DPS reports that in fiscal year 2004, 151,480 notices of suspension were mailed as a result of 2 or more convictions under Section 601.191, Transportation Code. Of the 151,480 notices of suspension, DPS reports that 45,319 persons filed insurance certificates within 21 days and thus, did not have to pay a \$100 reinstatement fee. Under the provisions of the bill, DPS estimates that \$2,991,054 (\$100 reinstatement fee X 45,319 persons X 66 percent compliance rate) would be generated in each fiscal year.

Under current law, DPS reports that persons must maintain insurance certificates for 2 years or pay an additional reinstatement fee. According to DPS, in fiscal year 2004, 7,354 licenses were re-suspended due to cancellation of insurance certificates and generated \$735,400 (\$100 reinstatement fee X 7,354 persons) per fiscal year. DPS reports that this revenue would be lost under the provisions of the bill. The net revenue gain to the General Revenue Fund would be \$2,255,654 (\$2,991,054 - \$735,400) in each fiscal year.

Under the provisions of the bill, DPS would be required to collect a \$250 surcharge from each person convicted of failing to maintain financial responsibility during the previous 12 months. The bill would establish a \$250 surcharge if a second conviction occurs within 24 months and a \$250 surcharge if a third or subsequent conviction occurs within 36 months. DPS reports in fiscal year 2004 there were 191,096 convictions occurring within the preceding 12 months. Under current statutes, the surcharges would be applicable to anyone convicted during the previous 36 months. The Comptroller of Public Accounts reports that since the number and frequency of convictions under the provisions of the bill cannot be projected, the fiscal impact cannot be determined. However, it does appear that the change in surcharges would result in a revenue loss.

Under current law, revenue collected from surcharges under the Driver Responsibility Program (DRP) through fiscal year 2007 must be distributed to the Trauma Center Fund (49.5 percent) and the General Revenue Fund (51.5 percent). Effective fiscal year 2008, all money collected under the DRP will be deposited into the General Revenue Fund.

Local Government Impact

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

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

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