

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 14, 2005

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

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

IN RE: **HB1081** by Driver (Relating to suspension or denial of a driver's license for failure to appear, pay a fine, or satisfy a judgment.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1081, As Introduced: a negative impact of (\$944,863) through the biennium ending August 31, 2007.

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
2006	(\$451,881)
2007	(\$492,982)
2008	(\$492,982)
2009	(\$540,078)
2010	(\$540,078)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	\$1,698,000	(\$2,149,881)	15.0
2007	\$1,698,000	(\$2,190,982)	15.0
2008	\$1,698,000	(\$2,190,982)	15.0
2009	\$1,698,000	(\$2,238,078)	15.0
2010	\$1,698,000	(\$2,238,078)	15.0

Fiscal Analysis

The bill would amend the Transportation Code to lower the administrative fee from \$30 to \$4 when a defendant fails to appear in court, pay fines, or satisfy a judgment. The bill would further amend the Code of Criminal Procedure and the Government Code to require the Department of Public Safety (DPS) to suspend or deny a driver's license if directed to do so by a justice or municipal court when a defendant fails to appear in court, pay fines, or satisfy a judgment. The bill would direct DPS to collect a \$26 fee from the license holder in addition to any other fee required for reinstatement of a suspended license or denied license renewal. Of the fee collected, \$16 would be deposited to the credit of DPS and \$10 would be deposited to the credit of the General Revenue Fund. Of the amount deposited to the credit of DPS, not more than \$6 may be used to compensate a vendor. The bill would

take effect September 1, 2005.

The bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Currently, a person that fails to appear, pay fines, or satisfy a judgment is required to pay an administrative fee of \$30. Of that amount, \$20 is allocated to the state and \$10 to the municipality or county; of the \$10 local allocation, \$6 is dedicated to vendor payments and \$4 is deposited to the municipal or county treasury. The bill would lower the administrative fee from \$30 to \$4, which would be retained by the municipality or county. In addition to any other fee required by law, a person would be required to pay a \$26 license reinstatement fee to DPS if their license is suspended. Of that amount, \$16 would be deposited to the credit of DPS (not more than \$6 may be used to compensate a vendor) and \$10 would be deposited to the credit of the General Revenue Fund.

DPS reports that under current statute, 566,000 license renewal denials due to failure to appear are processed annually. Assuming that 283,000 additional cases (50 percent of current license renewal denials) would have their licenses suspended under the provisions of the bill and pay the \$26 reinstatement fee, the state would gain \$1,698,000 (283,000 X \$6) in revenue each year. (Under current law, the state receives only \$20. The provisions of the bill would require that the state receive a \$26 reinstatement fee. This would result in a net increase of \$6 to the state for each revoked license that is reinstated.)

Additional full-time-equivalent positions (FTEs) would be needed to process license suspensions due to failure to appear, pay fines, or satisfy a judgment. DPS reports that a compliance technician can process 100 cases per day, requiring eleven additional Administrative Assistant II FTEs (283,000/12 months/21 average days per month/100). The clerks processing the incoming mail and indexing the scanned images can process 400 cases per day, requiring 3 additional Clerk IV FTEs (283,000/12 months/21 average days per month/400) and one additional FTE to balance the deposited revenue. Estimated vendor payments are \$1,698,000 per year (283,000 X \$6). The total estimated cost of the additional responsibilities including salaries, benefits, equipment, and vendor payments would equal \$2,149,881 in fiscal year 2006, \$2,190,982 in fiscal years 2007 and 2008, and \$2,238,078 in fiscal years 2009 and 2010.

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

LBB Staff: JOB, KJG, BT, VDS, SJ