

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: HB1322 by Kolkhorst (Relating to testing and examination fee requirements for persons completing certain driver education courses.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1322, As Introduced: a positive impact of \$2,469,648 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	\$1,213,621
2007	\$1,256,027
2008	\$1,259,477
2009	\$1,143,932
2010	\$1,147,382

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Change in Number of State Employees from FY 2005
2006	\$2,202,390	(\$988,769)	30.0
2007	\$2,202,390	(\$946,363)	30.0
2008	\$2,202,390	(\$942,913)	30.0
2009	\$2,202,390	(\$1,058,458)	30.0
2010	\$2,202,390	(\$1,055,008)	30.0

Fiscal Analysis

The bill would amend the Transportation Code, relating to testing and examination fee requirements for persons completing certain driver education courses.

The bill would eliminate the authority of the director of the Department of Public Safety to waive a driving test for an applicant who had successfully completed and passed the training and testing conducted by a person certified by the director. Under the bill, applicants for the original issuance of a provisional license would have to take a driving test administered by DPS and pay a \$10 examination fee. The examination fee would be in addition to the \$5 fee for issuance or renewal of a provisional license or instruction permit.

The bill would require the \$10 examination fee be deposited to the credit of a special account in the General Revenue Fund, which could only be used by DPS for the administration of driver's licenses and certificates.

The bill would take effect September 1, 2005 and would apply only to applications for a driver's license submitted on or after the effective date of the act.

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 the bill would be subject to funds consolidation review by the current Legislature.

Methodology

Under the provisions of the bill, DPS would be allowed to collect a \$10 examination fee from applicants for the original issuance of a provisional license. DPS estimates there would be approximately 220,239 individuals that would pay the fee for the issuance of an original provisional license each fiscal year. DPS arrived at this number by averaging the number of applicants for an original provisional license for the three-year period, fiscal years 2002-04 (((230,848 fiscal year 2002) + (216,024 fiscal year 2003) + (213,844 fiscal year 2004))/3 fiscal years). Because the number of persons actually declined over the three-year period, a zero growth rate was assumed over the projection period. The estimated amount generated in General Revenue Funds would be \$2,202,390 (220,239 original applicants for a provisional license x \$10 examination fee) in fiscal year 2006 and subsequent fiscal years.

DPS estimates that an additional 30 full-time-equivalent positions (FTEs) would be needed to comply with the driving examination requirements. The costs for these additional FTEs would be \$988,769 in fiscal year 2006, \$946,363 in fiscal year 2007, \$942,913 in fiscal year 2008, \$1,058,458 in fiscal year 2009, and \$1,055,008 in fiscal year 2010. These costs include salaries, benefits, training, equipment, and other operating costs.

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, VDS, SJ, LM