

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 2, 2005

TO: Honorable Todd Staples, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB696 by Ogden (Relating to testing and examination fee requirements for certain provisional license holders.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB696, Committee Report 1st House, Substituted: a positive impact of \$584,289 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	\$288,900
2007	\$295,389
2008	\$295,389
2009	\$279,509
2010	\$279,509

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	\$416,440	(\$127,540)	4.0
2007	\$416,440	(\$121,051)	4.0
2008	\$416,440	(\$121,051)	4.0
2009	\$416,440	(\$136,931)	4.0
2010	\$416,440	(\$136,931)	4.0

Fiscal Analysis

The bill would require certain provisional license holders (those convicted of a moving violation or those whose license was suspended by the Department of Public Safety [DPS]) to pass a DPS administered driving test and pay a \$10 examination fee before DPS would be allowed to issue a provisional driver license renewal or reinstatement. The examination fee would be in addition to any other fee currently required for a renewal or reinstatement of a provisional license.

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 provisional driver license examinations, renewals, and reinstatements.

The bill would take effect September 1, 2005 and would apply only to applications for the renewal or reinstatement of a provisional 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 provisional license holders who have been convicted of a moving violation or have their provisional license suspended by DPS. It is estimated that 21,211 provisional license holders receive a moving violation and 20,433 have a provisional license suspended each fiscal year. Thus, an additional 41,644 driving exams per fiscal year would be administered resulting in a revenue gain of \$416,440 in General Revenue Funds in each fiscal year from the \$10 examination fee. A zero growth rate was assumed over the projection period.

An additional 4 full-time-equivalent positions (FTEs) would be needed to comply with the driving examination requirements. The costs for these additional FTEs are estimated to be \$127,540 in fiscal year 2006, \$121,051 in fiscal year 2007, \$121,051 in fiscal year 2008, \$136,931 in fiscal year 2009, and \$136,931 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: 405 Department of Public Safety

LBB Staff: JOB, SR, VDS, SJ, LM