

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 3, 2007

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: HB84 by Branch (Relating to issuance and renewal of a driver's license of an elderly person.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB84, As Engrossed: a negative impact of (\$179,520) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$89,760)
2009	(\$89,760)
2010	(\$89,760)
2011	(\$89,760)
2012	(\$89,760)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from STATE HIGHWAY FUND 6
2008	(\$89,760)	(\$189,000)
2009	(\$89,760)	\$0
2010	(\$89,760)	\$0
2011	(\$89,760)	\$0
2012	(\$89,760)	\$0

Fiscal Analysis

This bill would amend the Transportation Code as it relates to issuance and renewal of a driver’s license of an elderly person.

Section 1 of the bill states this Act may be cited as “Katie’s Law”.

Section 2 of the bill would require a driver’s license to expire on the first birthday after the sixth anniversary of the license holder and a driver license that is renewed expires on the sixth anniversary of the expiration date before the renewal except as provided by Transportation Code, Section 521.2711.

Section 3 of the bill adds Transportation Code, Section 521.2711, License Expiration: Person at Least 90 Years of Age, which states a) a driver license expires on the 90th birthday of a license holder, b) the original license of a person older than 90 years of age expires on the second anniversary of the issuance date, and c) a driver license of a person older than 90 years of age that is renewed expires on the second anniversary of the expiration date before the renewal.

Section 4 of the bill adds Transportation Code, Section 521.2712, Offices, which states that a person required to renew a driver's license under Transportation Code, Section 521.2711 must be given priority in line at a Department of Public Safety (DPS) office when renewing the license.

Section 5 of the bill adds Transportation Code, Section 521.273(c), which states DPS may not renew a driver's license of a person who is at least 90 years of age unless the person passes a examination for the renewal that must include a vision screening.

Section 6 of the bill amends Transportation Code, Section 521.274(b), which states the driver's license of a person who is at least 90 years of age on the license's expiration date is not permitted to renew their driver license by mail or electronic means.

Section 7 of the bill adds Transportation Code, Section 521.421(i), which states that DPS shall prorate the fee for driver's license issuance or renewal of a person who is at least 85 years of age to account for the expiration of the license on the person's 90th birthday. This section states that the fee for a driver's license issuance or renewal of a person who is at least 90 years of age on the date of the issuance or the expiration date before the renewal is \$8 per license every two years.

Section 8 of the bill amends Transportation Code, Section 522.029(a) and adds Transportation Code, Section 522.029(j), which states that the fee for issuance or renewal of a commercial driver's license or commercial driver learner's permit is \$25.

Section 9 of the bill amends Transportation Code, Sections 522.051 (a), (b), (c), and (d) to add an exception to expiration rules for an original commercial driver's license, commercial driver learner's permit, and a commercial driver's license or commercial driver learner's permit issued to a person holding a Texas Class A, B, C, or M license as determined by Transportation Code, Section 522.054.

Section 10 of the bill amends Transportation Code, Sections 522.052 (b), (c), and (g), to add an exception to expiration rules for the renewal of a commercial driver's license determined by Transportation Code, Section 522.054.

Section 11 of the bill amends the Transportation Code, Chapter 552, Subchapter E, by adding Section 522.054, License Expiration: Person at least 90 Years of Age, which states each original commercial driver's license and commercial driver learner's permit of a person 90 years of age or older expires on the license holder's second birthday after the date of the license application and a commercial driver's license of a person 90 years of age or older that is renewed expires on the second anniversary of the expiration date before renewal.

Section 12 of the bill states this proposed change in law applies only to a driver's license, commercial driver's license, or commercial driver learner's permit issued or renewed on or after the effective date of the Act.

The bill would take effect immediately if a two-thirds majority vote in both houses of the Legislature is received. Otherwise, the bill would take effect on September 1, 2007.

Methodology

Section 3 of the bill states a) a driver license expires on the 90th birthday of a license holder, b) the original license of a person older than 90 years of age expires on the second anniversary of the issuance date, and c) a driver license of a person older than 90 years of age that is renewed expires on the second anniversary of the expiration date before the renewal. The Federal Highway Report from November 2006 estimates the number of licensed drivers age 85 and older in Texas is 134,643 (lower than earlier estimate of 157,921 because of revised agency statistics).

DPS states there will be a General Revenue loss because of the fee reduction from a 6-year license renewal to a 5 to 1 year range of license renewals on the 90th birthday. However, Section 7 of the bill would still require the licensee to pay a \$4 fee per year.

The number of drivers aged 85 and over that would be required to pass a vision exam each year is 22,440 drivers. This estimate is based on 134,643 (number of licensed drivers age 85 and older) / 6 (the current number of years before a license renewal is required) = 22,440 drivers

The amount of fees currently collected from this population under the 6 year renewal policy is \$538,560 per year. This estimate is based on 22,440 (number of drivers aged 85 and over) x \$24 (the current driver license renewal fee) = \$538,560

The amount of fees potentially collected from this population under the proposed yearly renewal is \$448,800 per year. This estimate is based on 22,440 (number of drivers aged 85 and over) x \$20 (the proposed driver license renewal fee for 5 years between 85-90 at \$4 per year) = \$448,800.

The difference between the fees currently collected for this population (\$538,560) minus the proposed fees collected for this population (\$448,800) equals a General Revenue loss of \$89,760 per year.

Technology

The technology costs estimated to comply with the issuance and renewal of a driver's license of an elderly person over 85 years of age includes a one-time cost of \$189,000 in State Highway Funds in fiscal year 2008 for program changes to the Driver License system.

Local Government Impact

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

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

LBB Staff: JOB, ES, KJG, GG, VDS, LG