

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 9, 2007**

**TO:** Honorable Mike Krusee, Chair, House Committee on Transportation

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

**IN RE: HB2861** by Jones, Delwin (Relating to the issuance of a nonresident commercial driver's license.), **As Introduced**

**While the overall fiscal impact to state costs is not expected to be significant, the enactment of the bill could result in a loss of federal highway fund revenue to the state in an amount of approximately \$165.8 million in fiscal year 2008 and \$320.3 million each subsequent fiscal year.**

The bill would amend the Transportation Code allowing the Texas Department of Public Safety (DPS) to issue a provisional nonresident commercial driver license to an individual applying for a nonresident commercial driver's license. Licenses issued under the provisions of the bill would be required to have "nonresident" printed on the face of a provisional nonresident commercial driver's license issued under this section. At present a person is required to present a social security card when submitting an application for a commercial driver's license. The bill would allow an individual submitting an application for a nonresident commercial driver's license to present a passport and a visa in lieu of a social security card. Under the provisions of the bill, a provisional nonresident commercial driver's license would expire on the 60th day after the date the license is issued or on the date the persons visa expires which ever is earlier and may not be renewed. DPS would not be allowed to issue more than one provisional nonresident commercial driver's license to a person. The bill would also allow DPS to collect a \$100 fee for a nonresident commercial driver license and a \$20 fee for a provisional nonresident commercial driver license. The bill would also provide an exception to the current length of time for which a provisional commercial driver's license is valid. A permit for a provisional nonresident commercial driver license would expire on the date their visa expires.

The bill would take effect September 1, 2007 and apply only to a nonresident commercial driver's license for which an original or renewal application is filed on or after the effective date.

The bill would amend the Transportation Code to allow DPS to issue a provisional nonresident commercial driver license to an individual applying for a nonresident commercial driver's license. DPS reports complying with the provisions of the bill would result in non compliance with Title 49, Code of Federal Regulations, Section 383.21(a person who operates a commercial motor vehicle is prohibited from having more than one driver's license) and Title 49, Code of Federal Regulations, 383.23 (commercial driver's licenses issued by Canada and Mexico are recognized by the United States and these licensees are prohibited from obtaining a nonresident commercial driver's license).

Under the provisions of the bill Texas would be in non-compliance with the single license requirement outlined in Title 49, Code of Federal Regulations, Section 383.21. Violating the single license requirement would result in a total loss of Motor Carrier Safety and Assistance Program (MCSAP) funding and a loss of 5 percent for the first year of non-compliance and 10 percent each subsequent year of non-compliance in Federal-Aid Highway Funds. DPS reports the total amount of federal funds received in fiscal year 2006 was \$3,101,825,159 (\$3,090,574,205 in Federal-Aid Highway Funds and \$11,250,954 in MCSAP funding). Based on funds received in fiscal year 2006, non-compliance for the first year would result in a loss of \$165,779,664 (\$154,528,710 in Federal-Aid Highway Funds and \$11,250,954 in MCSAP). Based on funds received in fiscal year 2006, the second and subsequent years would result in a funding loss of \$320,308,375 (\$309,057,421 in Federal-Aid Highway Funds and \$11,250,954 in MCSAP).

The bill also would allow DPS to collect a \$100 fee for a nonresident commercial driver license and a \$20 fee for a provisional nonresident commercial driver license. Although the statute governing the

nonresident commercial driver's license has been effective since 1995, DPS reports to date it has not received an application for a nonresident commercial driver's license. Revenue generated as a result of the nonresidential commercial driver's license and provisional nonresident commercial driver's license can not be determined. Any revenue generated would depend on the number of applications DPS receives for a nonresident commercial driver's license or a provisional nonresident commercial driver's license.

DPS reports a one-time technology cost of \$188,400 to cover programming changes to the Driver License System. DPS reports it would be unable to implement the modifications necessary to comply with the provision of the bill until the Driver License Reengineering Project is completed in November 2007.

### **Local Government Impact**

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

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, KJG, LG, GG, LM