

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 2007

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

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

IN RE: HB3751 by Heflin (Relating to the penalties for driving while a driver's license is invalid.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3751, As Introduced: a negative impact of (\$1,101,406) through the biennium ending August 31, 2009.

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 |
|-------------|--|
| 2008 | (\$550,703) |
| 2009 | (\$550,703) |
| 2010 | (\$550,703) |
| 2011 | (\$550,703) |
| 2012 | (\$550,703) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1 | Probable Revenue Gain/(Loss) from TRAUMA FACILITY AND EMS 5111 |
|-------------|--|--|
| 2008 | (\$550,703) | \$539,797 |
| 2009 | (\$550,703) | \$539,797 |
| 2010 | (\$550,703) | \$539,797 |
| 2011 | (\$550,703) | \$539,797 |
| 2012 | (\$550,703) | \$539,797 |

Fiscal Analysis

The bill relates to the penalties of driving while a driver’s license is invalid. The bill would amend Sections 521.457 and 601.371, Transportation Code, to reduce a first offense of Driving While License Invalid (DWLI) as a Class C Misdemeanor with a maximum fee of \$100 and no confinement period. The bill would further amend the same section to set the second offense of DWLI as a Class B Misdemeanor punishable by a fine of not less than \$100 or more than \$500, confinement in county jail not less than 72 hours, or both fine and confinement. The bill would make the third or subsequent offense of DWLI a Class A Misdemeanor punishable by a fine of not less than \$200 or more than \$500, confinement in county jail not less than 72 hours, or both fine and confinement.

The bill would amend Section 708.103, Transportation Code, to exempt the first offense of DWLI from the Driver Responsibility Program surcharge, although subsequent offenses would still require

the surcharge. The bill would amend the same section to ensure that all offenses of Driving Without Financial Responsibility would remain surchargeable.

The bill would take effect on September 1, 2007.

Methodology

The Department of Public Safety (DPS) estimates that 11,479 drivers on average are annually convicted for first-time offenses under this section. Under the Driver Responsibility Program (DRP), offenders convicted of DWLI must currently pay a surcharge of \$250 each year for three years for each conviction. About 38 percent of these drivers are in compliance, meaning that they have paid the surcharge or have entered into an installment plan agreement to pay the surcharge ($11,479 \times 38$ percent = 4,362 first-time DWLI offenders). As these offenders would no longer pay the DRP surcharge, the total annual revenue loss to the state would be \$1,090,500 ($\$250 \times 4,362$).

Current appropriations to General Revenue constitute 50.5 percent of revenues, with one percent designated for the Department of Public Safety for administration of the program. The total annual revenue loss to General Revenue would therefore be \$550,703. The other 49.5 percent is appropriated to General Revenue-Dedicated Account Number 5111, Trauma Facility and EMS Fund, which would have a total annual revenue loss of \$539,797.

There would be no change to state revenue due to the provision of the bill that reduces fines because court fines are not state revenue, but local revenue.

Technology

DPS estimates a cost of \$250,600 for driver license system modifications, which DPS estimates it will be unable to complete until January 1, 2008. It is assumed that DPS could absorb these costs within the agency's current appropriations and therefore would not result in a significant fiscal impact to the state.

Local Government Impact

The fiscal impact from the decrease in fine amounts would vary by local government depending on the number of offenses committed in each municipality or county, although the impact is not expected to be significant.

Source Agencies: 405 Department of Public Safety

LBB Staff: JOB, KJG, GG, LG, HC