

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**February 13, 2007**

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

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

**IN RE: SB180** by Carona (Relating to issuance and renewal of a driver's license of an elderly person.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB180, As Introduced: a negative impact of (\$210,560) 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	(\$105,280)
2009	(\$105,280)
2010	(\$105,280)
2011	(\$105,280)
2012	(\$105,280)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>STATE HIGHWAY FUND</i> 6
2008	(\$105,280)	(\$189,000)
2009	(\$105,280)	\$0
2010	(\$105,280)	\$0
2011	(\$105,280)	\$0
2012	(\$105,280)	\$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 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 2 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 90<sup>th</sup> 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 3 of the bill adds Transportation Code, Section 521.273(c), which states the Department of Public Safety (DPS) may not renew a driver's license of a person who is at least 90 years of age unless the person 1) passes a vision examination and 2) shows the ordinary ability and reasonable control of the motor vehicle type that the license authorizes the person to operate for the license renewal.

Section 4 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 5 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.

The bill would take effect on September 1, 2007.

## **Methodology**

Section 2 of the bill states a) a driver license expires on the 90<sup>th</sup> 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 157,921.

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 90<sup>th</sup> birthday. However, Section 5 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 driving and vision exam each year is 26,320 drivers. This estimate is based on 157,921 (number of licensed drivers age 85 and older) / 6 (the current number of years before a license renewal is required) = 26,320 drivers

The amount of fees currently collected from this population under the 6 year renewal policy is \$631,680 per year. This estimate is based on 26,320 (number of drivers aged 85 and over) x \$24 (the current driver license renewal fee) = \$631,680

The amount of fees potentially collected from this population under the proposed yearly renewal is \$526,400 per year. This estimate is based on 26,320 (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) = \$526,400.

The difference between the fees currently collected for this population (\$631,680) minus the proposed fees collected for this population (\$526,400) equals a General Revenue loss of \$105,280 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

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