

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

**TO:** Honorable Tommy Merritt, Chair, House Committee on Public Safety

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

**IN RE: HB3733** by Coleman (Relating to the administration of the driver responsibility program.),  
**As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3733, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from State Highway Fund 6	Change in Number of State Employees from FY 2009
2010	(\$958,258)	24.0
2011	(\$958,258)	24.0
2012	(\$958,258)	24.0
2013	(\$958,258)	24.0
2014	(\$958,258)	24.0

Fiscal Analysis

The bill would implement a recommendation in the Legislative Budget Board *Government Effectiveness and Efficiency Report* entitled "Improve Compliance with the Driver Responsibility Program."

The bill would give the Department of Public Safety (DPS) the administrative authority to modify Driver Responsibility Program (DRP) surcharges by category to maximize compliance. The bill would modify current DRP surcharges as set in statute into limits that the deparment could not exceed. The bill would require courts to issue a statement informing defendants convicted of offenses that result in DRP surcharges about the surcharges and their obligation to pay under the law. The bill would require DPS to establish an indigency program for offenders with an income not more than 100 percent of federal poverty level guidelines.

## Methodology

For each surcharge assessed under the program, the bill would change the surcharge amount from a sum certain to an amount not to exceed the sum certain. DPS would be required to set the surcharge amount at a level to be most advantageous to the state in meeting the goals of the program. DPS would re-evaluate the amount of each surcharge no later than October 1 of each year to determine if the goals were being met and make changes accordingly. Because the amount of any surcharge to be set by DPS is not known, and because the number of convictions subject to the new surcharge amounts are not known, the comptroller could not determine the fiscal impact of the bill.

However, as an illustrative example, assuming all surcharges were reduced by 10 percent and no changes in the pattern of payment compliance was observed, the annual loss to General Revenue would be \$8.5 million and the loss to General Revenue Account 5111—Trauma Facility would be \$8.4 million annually. Although a reduction in overall surcharges would reduce the amounts billed, the bill assumes that lower surcharges could increase the compliance rate to a point of revenue neutrality.

DPS states that it would need additional FTEs to administer an indigency program. In 2007, the U.S. Census Bureau identified the poverty rate in Texas at 16.3 percent. Assuming that a proportional number of offenders in the DRP would be eligible for an indigency program, DPS estimates that it would receive 262,094 applications for indigency relief annually. Assuming that each application would require ten minutes to process, DPS would need 24.0 FTEs to administer the indigency program. Because the designated one percent of DRP collections appropriated to DPS for administration of the program is budgeted for other administrative actions, the funds for the wages and benefits for these 24.0 FTEs would necessarily be drawn from Texas State Highway Fund 0006.

## Local Government Impact

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

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

**LBB Staff:** JOB, ESi, JI, HC