

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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

IN RE: SB896 by Shapleigh (Relating to the driver responsibility program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB896, As Engrossed: a negative impact of (\$42,500,000) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$17,000,000)
2011	(\$25,500,000)
2012	(\$34,000,000)
2013	(\$42,500,000)
2014	(\$42,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Trauma Facility And Ems</i> 5111
2010	(\$17,000,000)	(\$16,800,000)
2011	(\$25,500,000)	(\$25,200,000)
2012	(\$34,000,000)	(\$33,600,000)
2013	(\$42,500,000)	(\$42,000,000)
2014	(\$42,500,000)	(\$42,000,000)

Fiscal Analysis

The bill would amend Chapter 708 of the Transportation Code to require the Department of Public Safety (DPS) to send a second and third notice to offenders about outstanding surcharges due under the Driver Responsibility Program (DRP). Current statute requires the department to notify offenders once. Under current law, if the offender has failed to pay the surcharge or enter into an installment agreement by the 30th day after notification, the offender's license is automatically suspended. The bill would extend the automatic suspension until the 30th day after the third notification.

The bill would modify DRP installment agreements. Current law states that DPS may not permit offenders to enter into installment agreements of a period more than 36 consecutive months. The bill would state that DPS cannot require an offender to enter into an installment agreement of less than 36 consecutive months.

The bill would extend a court's jurisdiction for a conviction resulting in a surcharge to the person who is assessed a surcharge and DPS and all agents of the department regarding all matters related to the surcharge. The bill would allow a court to reduce or waive a surcharge and would establish that all

persons required to pay a surcharge could invoke the jurisdiction of the court. The bill would require DPS to waive a surcharge for a person considered indigent. The bill would define an indigent person as a person who submits documentation to the court that proves that his or her income does not exceed 200 percent of the applicable income level established by the federal poverty guidelines or a person who is a full-time student enrolled in an institution of higher education. The court is required to notify DPS that a person is indigent.

The bill would also require the DPS to establish a procedure by rule to annually deduct one point accumulated under Chapter 708 of the Transportation Code for each year that the person does not accumulate another point.

Methodology

Approximately \$166 million was collected from surcharges in fiscal 2008. The bill would allow a court to reduce or waive surcharges for an offender. Surcharges could not be assessed on an indigent person. Revenue from the DRP is dedicated 50.5 percent to General Revenue Fund (which includes 1 percent for DPS administration) and 49.5 percent to GR Account-Dedicated Trauma and EMS 5111.

For the purposes of this estimate, the comptroller assumed that, through court-ordered reductions or waiving of surcharges and no collection of surcharges from indigent persons, revenue would decline by 20 percent in fiscal 2010, 30 percent in 2011, 40 percent in 2012, and 50 percent each year thereafter.

DPS estimates the costs for mailing two more notices at \$590,764 annually. It is assumed that these costs would be passed on to offenders.

Local Government Impact

Costs to local governments would vary depending on the number and size of court hearings requested by offenders under this bill.

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

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