

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 29, 2009

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

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

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

Estimated Two-year Net Impact to General Revenue Related Funds for SB896, As Introduced: a negative impact of (\$94,960,000) through the biennium ending August 31, 2011, if the effective date of the bill is July 1, 2009; or a negative impact of (\$89,736,000) through the biennium ending August 31, 2011, if the effective date of the bill is September 1, 2009.

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
2009	(\$5,224,000)	(\$5,121,000)
2010	(\$31,515,000)	(\$30,891,000)
2011	(\$58,221,000)	(\$57,068,000)
2012	(\$85,000,000)	(\$84,000,000)
2013	(\$85,000,000)	(\$84,000,000)

The above table assumes that the bill is effective immediately upon enactment. If the bill instead would take effect on September 1, 2009, the table below provides the estimated revenue loss.

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	(\$31,515,000)	(\$30,891,000)
2011	(\$58,221,000)	(\$57,068,000)
2012	(\$85,000,000)	(\$84,000,000)
2013	(\$85,000,000)	(\$84,000,000)
2014	(\$85,000,000)	(\$84,000,000)

Fiscal Analysis

The bill would amend the Health and Safety Code and the Transportation Code to repeal the Driver Responsibility Program (DRP).

The bill would repeal Chapter 708 of the Transportation Code, removing the authority for the Department of Public Safety (DPS) to impose or collect any surcharge fees for driver license points, driving while intoxicated, driving while license invalid, driving without financial responsibility, and driving with no license. The bill would provide for the collection of surcharges imposed before the effective date.

The bill would amend Chapter 780 of the Health and Safety Code to remove the requirement that DPS remit collected surcharges to the Comptroller of Public Accounts and to remove the statutory allocations from DRP surcharges. The bill would amend Chapter 502 of the Transportation Code to remove provisions that allow DPS to establish and maintain a system to support the DRP using revenue from the motor vehicle registration fee. The bill would amend Chapter 542 of the Transportation Code to remove DRP surcharge collections from the determination of the point at which collections from the state traffic fine would be deposited to Fund 365, Texas Mobility Fund. The bill would amend Chapter 601 of the Transportation Code to remove the requirement to give notice of DRP surcharges to offenders.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

Methodology

The bill would provide that all surcharges assessed prior to its effective date would continue to be due to the state. DRP surcharges are imposed on offenders for a period of 36 months. DPS anticipates that the DRP has reached a plateau in surcharges billed to offenders. Current collections are approximately 37 percent of surcharges billed. DPS estimates that it will bill \$394,916,607 in the 2010-2011 biennium, based on an average of surcharges billed in the last two fiscal years.

Estimated revenue impacts were derived from the 2010-2011 Biennial Revenue Estimate, adjusted for remittances for prior surcharges assessed which will accrue to the state through fiscal 2011, and projected through 2014. If the bill were to take place immediately, the estimated revenue loss in fiscal year 2009 would be \$10,345,000 in All Funds, of which \$5,224,000 would be General Revenue-Related Funds. Under either scenario, the estimated revenue loss in the 2010-2011 biennium would be \$177,695,000 in All Funds, of which \$89,736,000 would be General Revenue-Related Funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, KJG, GG, HC