

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

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

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

IN RE: SB1634 by Carona (Relating to service charges for certain renewals of driver's licenses and personal identification certificates.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1634, As Introduced: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365
2010	\$5,140,805
2011	\$5,140,805
2012	\$5,140,805
2013	\$5,140,805
2014	\$5,140,805

Fiscal Analysis

The bill would amend Transportation Code, Section 521 to allow the Department of Public Safety (DPS) to impose a \$5 service charge for each renewal of a driver's license or personal identification certificate for which an application is filed in person, if the applicant is eligible to apply for renewal by mail, by telephone, or by an electronic means provided by DPS.

The bill would take effect September 1, 2009.

Methodology

According to DPS, in fiscal year 2007, 1,566,336 alternate renewal notices were mailed with 757,397 transactions completed by mail, by telephone, or by electronic means, leaving 808,939 driver license and identification card transactions completed in person but were eligible for alternate renewal. For fiscal year 2008, 1,995,885 alternate renewal notices were mailed with 748,502 transactions

completed by mail, by telephone, or by electronic means, leaving 1,247,383 driver license and identification card transactions completed in person but were eligible for alternate renewal.

Based on fiscal year 2007 and 2008 data, DPS estimates that 1,028,161 $((808,939 + 1,247,383)/2)$ transactions per year are eligible for participation in an alternative renewal process but would file for renewal in person in a DPS driver license. DPS estimates the potential annual revenue gain to the Mobility Fund of \$5,140,805 per year $(1,028,161 \times \$5)$. DPS also states the estimated revenue gain from the bill could be significantly lower if eligible persons use alternate methods to avoid the additional fee.

Technology

DPS stated that they would require additional funds for programming modifications to the driver license system. This analysis assumes DPS can provide for the programming costs within their current appropriations.

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, LG