

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 12, 2011**

**TO:** Honorable Larry Phillips, Chair, House Committee on Transportation

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

**IN RE: HB2176** by King, Tracy O. (Relating to a surcharge under the driver responsibility program for a conviction of driving while license invalid, without financial responsibility, or without a valid license.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2176, As Introduced: a negative impact of (\$44,326,000) through the biennium ending August 31, 2013.

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
2012	(\$13,586,500)
2013	(\$30,739,500)
2014	(\$38,656,500)
2015	(\$38,656,500)
2016	(\$38,656,500)

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

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Trauma Facility And Ems 5111	Probable Savings from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	(\$14,516,000)	(\$14,227,000)	\$929,500	(26.0)
2013	(\$31,669,000)	(\$31,043,000)	\$929,500	(26.0)
2014	(\$39,586,000)	(\$38,803,000)	\$929,500	(26.0)
2015	(\$39,586,000)	(\$38,803,000)	\$929,500	(26.0)
2016	(\$39,586,000)	(\$38,803,000)	\$929,500	(26.0)

**Fiscal Analysis**

The bill would repeal Sections 708.103 and 708.104 of the Transportation Code which require a \$250 Driver Responsibility Program surcharge to be assessed on persons convicted of driving while license invalid, driving without liability insurance, or driving a vehicle with a suspended registration and a \$100 surcharge to be assessed on persons convicted of driving without a valid license.

The bill would take effect immediately if it received two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

## **Methodology**

Revenue collections from DRP surcharges are split with 50.5 percent deposited to the General Revenue Fund and the remaining 49.5 percent deposited to the Designated Trauma Facility and EMS General Revenue-Dedicated Fund. The Comptroller of Public Accounts reports that it would take three years to reach the maximum fiscal impact because each annual amount represents payments assessed over a three year period. The estimate adjusts for this phase out and assumes some people would not continue to pay remaining balances because of the repeal, resulting in an additional loss of 10 to 20 percent. If the bill were to take effect immediately, it is assumed the loss of revenue in fiscal years 2012-2014 would be higher because fewer offenses occurring in fiscal year 2011 would be subject to a DRP surcharge.

DPS reports it would modify administrative rules, enforcement and compliance procedures, customer service procedures, finance procedures, performance measures, monthly and annual reports, online information, and pamphlets as a result of the bill. It is assumed any costs associated with these modifications could be done using existing resources. The number of persons required to support DRP would decrease, resulting in a reduction of 26 employees and a savings in General Revenue Funds.

## **Technology**

A technology cost for systems analysis and programming would be incurred by DPS; however, the fiscal impact of this would not be significant.

## **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, JI, MM