

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 25, 2011

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB1583 by Ogden (relating to state fiscal matters.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1583, Committee Report 1st House, Substituted: a positive impact of \$37,529,000 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	\$18,537,000
2013	\$18,992,000
2014	\$19,446,000
2015	\$19,900,000
2016	\$20,355,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>Driver's License System Improvement Account</i>
2012	\$18,287,000	\$250,000	\$67,996,011
2013	\$18,742,000	\$250,000	\$67,996,011
2014	\$19,196,000	\$250,000	\$67,996,011
2015	\$19,650,000	\$250,000	\$67,996,011
2016	\$20,105,000	\$250,000	\$67,996,011

Fiscal Analysis

Article 1 of the bill would authorize state agencies to reduce or recover expenditures by taking action to consolidate reports; extend license, permit or registration periods; enter into contracts to carry out an agency's duties; adopt additional eligibility requirements for benefits; provide for electronic communication; and adopt and collect fees or charges to recover costs incurred by an agency.

Article 2 of the bill would repeal Section 5.56 of the Alcoholic Beverage Code, eliminating a recurring transfer of \$250,000 per fiscal year from the Texas Alcoholic Beverage Commission (TABC) to the Texas Department of Agriculture (TDA) for the Wine Marketing Assistance Program.

Section 3.01 of the bill would require the Texas Department of Public Safety (DPS) to designate certain driver's license offices as temporary visitor stations that would be required to have staff trained on the temporary visitor issuance guide and provide information and assistance to other driver's license offices. Section 3.02 of the bill would set a fee of \$24 for a driver's license or personal identification certificate issued to a person who is not lawfully in the United States that would be valid for not more than one year. Section 3.03 of the bill would create the Driver's License System Improvement Account in the General Revenue Fund that would be authorized to be appropriated only for the purposes of improving and maintaining the driver's license system. The bill would create Driver's License System Improvement Fees, the Record Request Standardization Fee, and the Driver's License Reinstatement or Reissuance Standardization Fee which would be required to be deposited to the credit of the account.

Article 4 of the bill would amend Section 10, Article 4413(37), Revised Statutes, to require an insurer to pay a fee of \$2, rather than \$1, multiplied by the total number of motor vehicle years of insurance for insurance policies delivered, issued, or renewed. The bill would authorize fifty percent of each fee to be appropriated only to the Automobile Burglary and Theft Prevention Authority.

Article 5 of the bill would require DPS to submit to the legislature a report evaluating the effectiveness of the temporary visitor stations established by the bill and sets forth that fees imposed or adjusted by this bill only apply to issuances after September 1, 2011.

Methodology

The extent to which an agency would use the authority granted in Article 1 is unknown. Therefore, the impact of these changes is not included in the estimates shown above.

This analysis assumes that Article 2 of the bill would save \$250,000 in General Revenue Funds per fiscal year because appropriations to TABC would be reduced by the same amount for the 2012-13 biennium. Savings are assumed in SB 1.

This analysis assumes DPS could implement the temporary visitor stations required by Section 3.01 using existing appropriations. The Comptroller of Public Accounts (CPA) reports that the revenue gain for Section 3.02 cannot be determined because the number of persons who would apply for certificates is unknown. Pursuant to Transportation Code, Section 521.427, revenue from this provision would be deposited to the Texas Mobility Fund.

The CPA indicates the revenue from the Driver's License System Improvement Fees, Record Request Standardization Fees, and the Driver's License Reinstatement or Reissuance Standardization Fees cannot be determined. However, DPS estimates the various fees outlined in Section 3.03 would generate \$68 million of General Revenue-Dedicated Funds for the Driver's License System Improvement Account each fiscal year.

Article 4 of the bill would generate \$37 million in General Revenue Related Funds during the 2012-13 biennium. Under current law the Automobile Burglary and Theft Prevention Authority fee is paid by insurers at the rate of \$1 per motor vehicle year of insurance. Based on information from CPA it is assumed that an increase in the fee to \$2 would have no effect on the number of motor vehicle policies issued, delivered, or renewed. Estimates of revenue generated from the increased fee are based on the CPA's *2012-13 Biennial Revenue Estimate*.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code, Section 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August, 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

The CPA anticipates a one-time technology cost for notifying taxpayers of the new Automobile Burglary and Theft Prevention Authority fee on forms and publications, system programming, project management, and security controls. This analysis assumes this cost could be absorbed within existing resources.

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, 458 Alcoholic Beverage Commission, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JOB, KK, JI, YD, SD, MM