

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 18, 2013**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Homeland Security & Public Safety

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB104** by Gonzales, Larry (Relating to surcharges associated with and the enforcement of the driver responsibility program. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB104, Committee Report 1st House, Substituted: a negative impact of (\$145,532,826) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Trauma Facility and EMS Fund No.</i> 5111	Change in Number of State Employees from FY 2013
2014	\$13,033,587	(\$85,800,000)	(\$85,000,000)	(47.0)
2015	\$13,033,587	(\$85,800,000)	(\$85,000,000)	(47.0)
2016	\$0	(\$16,941,399)	(\$17,504,936)	0.0
2017	\$0	(\$16,941,399)	(\$17,504,936)	0.0
2018	\$0	(\$16,941,399)	(\$17,504,936)	0.0

The table above assumes Driver Responsibility Program collections are suspended during the 2014-15 biennium and resumed beginning in fiscal year 2016. The table below assumes Driver Responsibility Program collections are permanently suspended and a source of revenue other than Driver Responsibility Program surcharges is dedicated to Trauma Facility and EMS Fund No. 5111 beginning in fiscal year 2016.

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Trauma Facility and EMS Fund No.</i> 5111	Change in Number of State Employees from FY 2013
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2018	\$13,033,587	(\$85,800,000)	\$85,000,000	(47.0)

## Fiscal Analysis

The bill would amend Chapter 708 of the Transportation Code to prohibit the Department of Public Safety from imposing a penalty on and suspending the license of a person who fails to pay surcharge fees for driver license points, driving while intoxicated, driving while license invalid, driving without financial responsibility, and driving with no license under the Driver Responsibility Program (DRP).

The bill would impose a moratorium on DRP surcharge collections on or after September 1, 2013. DPS would be allowed to resume DRP surcharge collections on or after September 1, 2015 unless another source or revenue roughly equal to DRP surcharge collections is dedicated to the Designated Trauma Facility and Emergency Medical Services Account No. 5111.

## Methodology

Estimated revenue impacts were derived from the 2014-2015 *Biennial Revenue Estimate*, adjusted for prior surcharges assessed and expected to be remitted to the state through fiscal year 2015 and projected through fiscal year 2018.

DRP surcharges are imposed on persons for a period of 36 months. The bill would not forgive surcharges assessed prior to the effective date of the bill that would have been paid during the moratorium period, or any surcharges or penalties resulting from convictions occurring during the moratorium period. The first scenario above assumes any convictions prior to implementation of the moratorium and occurring during the moratorium would be subject to DRP surcharges once the moratorium is lifted. It is also assumed revenue collected from surcharges after the moratorium expires would continue to be allocated to the General Revenue Fund and Designated Trauma Facility and Emergency Medical Services Account No. 5111 as required by the applicable law in effect prior to the bill's effective date. This scenario estimates that when surcharge collections resume compliance rates would decline to approximately 33 percent, based on levels experienced during the first three years of the program.

The second scenario above assumes the moratorium imposed on collecting DRP surcharges would continue beyond September 1, 2015 and an alternative, equal source of revenue would be dedicated to Account No. 5111. Although not required by the bill, this scenario assumes revenue for Account No. 5111 would come from a new or increased source of revenue and not divert any revenue currently collected and deposited into another account.

Currently, the vendor mails notices to driver's license holders upon the assessment of a surcharge, and DPS mails notices to the holders of driver's licenses that have been assigned a fifth point. These requirements would be continued under the provisions of the bill. Under the current contract, the vendor is compensated via reimbursements equal to four percent of total surcharges collected. As a result, both scenarios assume there would be no vendor compensation during any years surcharges are not collected. DPS reports the cost of the notices they mail could be absorbed within its current resources. The first scenario assumes resources would be reinstated for vendor

payments and DPS administration for full program implementation beginning in fiscal year 2016 and the second scenario assumes this reduction in resources would continue beyond the 2014-15 biennium.

### **Technology**

The Department of Public Safety reports that systems analysis and programming changes would be needed as a result of this bill; the cost of these changes could be absorbed using 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, 537 State Health Services, Department of

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