

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

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

**March 25, 2013**

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

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

**IN RE: HB2132** by Kolkhorst (Relating to the certification and regulation of escort flag vehicle pilots; authorizing fees.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2132, As Introduced: an impact of \$0 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.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

**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	Change in Number of State Employees from FY 2013
2014	(\$395,639)	\$395,639	6.0
2015	(\$348,689)	\$348,689	6.0
2016	(\$348,689)	\$348,689	6.0
2017	(\$348,689)	\$348,689	6.0
2018	(\$359,669)	\$359,669	6.0

**Fiscal Analysis**

The bill would amend the Occupations Code to require the board of the Department of Motor Vehicles (DMV) to certify and regulate persons who act as escort flag vehicle pilots. A

certification under the provisions of the bill would expire on the fourth anniversary of the issuance date. The bill would require the board of the DMV to adopt rules to implement the provisions of the bill no later than August 31, 2014, including rules regarding qualifications for certification and renewal of certification, continuing education requirements, standards of conduct, and disciplinary action. A rule adopted by the board of the DMV regarding procedures for disciplinary action could not conflict with a rule adopted by the State Office of Administrative Hearings, and a disciplinary proceeding would be subject Chapter 2001 of the Government Code regarding administrative procedures for state agencies. The bill would authorize the board of the DMV to establish and collect fees in amounts sufficient to cover the costs of administration.

The bill would take effect on September 1, 2013.

## **Methodology**

The DMV reports that approximately 275 pilot/escort companies in business in Texas. Based on the information and analysis provided by the DMV, it is assumed the agency would certify 1,110 pilots (four employees for each company) in fiscal year 2014 and certify 200 new pilots each fiscal year thereafter. Renewals of certifications would occur every four years. It is assumed training for the required certification would be provided by the DMV. Based on the information provided by DMV, it is assumed the agency would require six additional full-time employees to implement the certification program for a combined cost of \$258,033 for salaries each year. The associated employee benefits costs are estimated to be \$76,739 each year. Initial costs for furniture, computer hardware and software, and utilities for six new employees are estimated to be \$46,950 in fiscal year 2014. Ongoing costs for travel, consumable supplies, and other operating expenses are estimated to be \$13,917 each year with an additional cost of \$10,980 in fiscal year 2018 for the routine replacement of computer equipment in alignment with the agency's five-year replacement schedule.

For the purposes of this analysis, it is assumed the DMV would assess and collect fees sufficient to offset the costs of implementing the bill in each fiscal year. Because the bill does not specify the fund in which the fees are to be deposited, the fees would be deposited to the credit of the General Revenue Fund pursuant to Section 404.094, Government Code.

## **Technology**

The DMV would incur costs of \$10,980 for the acquisition of computer equipment in fiscal years 2014 and 2018 and \$516 each year for software licenses.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 360 State Office of Administrative Hearings, 608 Department of Motor Vehicles

**LBB Staff:** UP, AG, MW, TG