

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3206 by Alonzo (Relating to the creation of a Texas resident driver's permit, provisional Texas resident driver's permit, and Texas resident driver's instruction permit; authorizing fees; creating an offense.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3206, Committee Report 1st House, Substituted: 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>State Highway Fund</i> 6	Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365
2014	(\$4,269,907)	\$5,460,000
2015	(\$3,270,260)	\$5,460,000
2016	(\$3,270,260)	\$6,333,600
2017	(\$3,270,260)	\$6,333,600
2018	(\$3,270,260)	\$7,207,200

Fiscal Year	Change in Number of State Employees from FY 2013
2014	42.7
2015	42.7
2016	42.7
2017	42.7
2018	42.7

Fiscal Analysis

The bill would amend the Transportation Code by authorizing the Department of Public Safety (DPS) to issue a Texas resident driver's permit to individuals who are unable to obtain a Social Security Number and provide lawful presence documentation, provided the individuals have resided in Texas for at least one year and have not been finally convicted of a Class A or B misdemeanor or any felony offense.

The bill would require fees of \$150 for an original Texas resident driver's permit and \$24 for a renewal of a Texas resident driver's permit. The bill would require a fee of \$15 to issue a provisional Texas resident driver's permit for certain drivers aged 16-18 years old.

The bill would take effect September 1, 2013.

Methodology

The Department of Public Safety reports the bill would require the agency to establish a process to collect fingerprints for background checks and related programming. DPS reports the bill would require complete sets of fingerprints and background checks as part of the application. DPS notes the agency's Driver License Division does not currently have the ability to capture full sets of prints and the agency's Driver License System is not linked to any system that can initiate background checks.

The number of applications for Texas resident driver's permits is unknown. However, DPS notes that according to a January 2011 report published by the Department of Homeland Security, there are approximately 1.8 million unauthorized residents in Texas. If the 1.8 million were divided evenly across 260 work days, it would average 7,000 resident applications a day (1.8 million/ 260 days). DPS estimates that up to 2% of the 7,000, or up to 140, would apply for the resident driver permit created by the bill, which would be up to 36,400 additional applications a year (7,000 * 2% = 140 * 260 days in a year = 36,400).

It is assumed that implementing the provisions of the bill would require 33.3 Customer Service Representatives to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager II position to oversee the 33.3 additional employees for this new program. DPS would need two Fingerprint Technician III employees to handle the additional fingerprints each year. DPS would also require 4.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

The agency estimates an additional cost of \$400,000 to create two new license cards in fiscal year

2014.

Programming costs are estimated to be \$341,217 for business analysis, development, quality assurance, database administration, and project management. The agency would also require 33 Agile TP4101 Fingerprint devices with associated software ($33 * \$3,495 = \$115,335$) in fiscal year 2014.

The Department of Transportation, in its response, stated the following: "This bill does not comply with the federal Real ID Act; however, there are no federal highway funds attached to that program."

DPS estimates the costs of conducting the background checks will be covered by the background check fee revenue.

It is assumed that the revenue from the application fees would be deposited to the Texas Mobility Fund. The actual revenue gain would depend on the number of individuals opting to apply for a Texas resident driver's permit. DPS bases its estimate on the number of original applications assumed above in each fiscal year (36,400) multiplied by the \$150 application fee required by the bill. Thus: $36,400 \text{ new applications} * \$150 \text{ application fee} = \$5,460,000$.

The term of the original permit is 2 years. Therefore revenues resulting from renewals of the fiscal year 2014 original applicants will begin in fiscal year 2016. DPS assumes all original permit holders will opt to renew. The renewal fee is \$24. Thus revenues in fiscal year 2016 are estimated as: $(36,400 \text{ new applications} * \$150) + (36,400 \text{ renewal applications} * \$24) = (\$5,460,000) + (\$873,600) = \$6,333,600$. The same methodology applies to fiscal year 2017.

Fiscal year 2018 would include the second-time renewals of the fiscal year 2014 original applicants, as well as the first-time renewals of the fiscal year 2016 original applicants, resulting in 72,800 renewals in fiscal year 2018. Thus revenues in fiscal year 2018 are estimated as: $(36,400 \text{ new applications} * \$150) + (72,800 \text{ renewal applications} * \$24) = (\$5,460,000) + (\$1,747,200) = 7,207,200$.

Technology

Programming costs are estimated to be \$341,217 in fiscal year 2014 to fund an estimated 3,200 contractor hours for business analysis, development, quality assurance, database administration, and project management.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 601 Department of Transportation

LBB Staff: UP, AG, AI, JAW