

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 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 public safety by ensuring all drivers in the state of Texas are licensed pursuant to state law and to encourage all drivers to stop and render aid at the scene of an accident, to prevent the abandonment of the scene of an accident, and to prevent uninsured use of a motor vehicle; relating further to the security of the state that all inhabitants are identifiable.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3206, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

While the overall fiscal impact to state administrative costs would not be significant, the enactment of the bill could result in a loss of federal-aid highway funds and federal Motor Carrier Safety Assistance Program funds to the state.

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 Revenue (Loss) from Federal Funds 555
2014	(\$49,294,983)
2015	(\$75,902,415)
2016	(\$75,902,415)
2017	(\$75,902,415)
2018	(\$75,902,415)

Fiscal Analysis

The bill would amend the Transportation Code to remove the authorization for the Department of Public Safety (DPS) to require proof of citizenship or lawful presence for any renewal or original application for a Texas driver license or personal identification certificate (DL/ID). DPS currently requires proof of citizenship and lawful presence for all DL/ID applicants and verifies the authenticity of all lawful presence documentation submitted during the application process with the issuing agency. By removing this requirement the verification of lawful presence documents through the Systematic Alien Verification Enrollment program would no longer be required.

DPS indicates the provisions of the bill could place Texas out of compliance with Title 49, Code of Federal Regulations, which may result in a loss of federal-aid highway funds and federal Motor Carrier Safety Assistance Program (MSCAP) funds.

The bill would take effect immediately upon a two-thirds vote of all members of both chambers; otherwise, the bill would take effect September 1, 2013.

Methodology

DPS estimates the potential losses from federal-aid highway funds would be up to 5 percent of the total funds received in the first year of non-compliance (\$26,208,017 in fiscal year 2014) and up to 10 percent in fiscal year 2015 and subsequent years (\$52,428,469).

Non-compliance could also result in a complete withdrawal of federal Motor Carrier Safety Assistance Funds (\$23,076,966 in fiscal year 2014 and \$23,473,946 in fiscal year 2015).

The total amount of potential losses to federal funds would be up to \$49,284,983 in fiscal year 2014 and up to \$75,902,415 in fiscal year 2015 and subsequent years.

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, ESi, KKR, GG