

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 22, 2015**

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

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

**IN RE: HB68** 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; creating an offense.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB68, As Introduced: a negative impact of (\$7,578,488) through the biennium ending August 31, 2017.

There is also a two-year positive impact to Other Funds (Texas Mobility Fund) of \$10,920,000 through the biennium ending August 31, 2017.

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 |
|-------------|--|
| 2016        | (\$4,293,338)  |
| 2017        | (\$3,285,150)  |
| 2018        | (\$3,325,150)  |
| 2019        | (\$3,285,150)  |
| 2020        | (\$3,285,150)  |

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

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>Texas Mobility Fund</i><br>365 | Probable Savings/(Cost) from<br><i>General Revenue Fund</i><br>1 |
|-------------|--|--|
| 2016        | \$5,460,000  | (\$4,293,338)  |
| 2017        | \$5,460,000  | (\$3,285,150)  |
| 2018        | \$6,333,600  | (\$3,325,150)  |
| 2019        | \$6,333,600  | (\$3,285,150)  |
| 2020        | \$7,207,200  | (\$3,285,150)  |

| <b>Fiscal Year</b> | <b>Change in Number of State Employees from FY 2013</b> |
|--------------------|---|
| 2016               | 42.7  |
| 2017               | 42.7  |
| 2018               | 42.7  |
| 2019               | 42.7  |
| 2020               | 42.7  |

### **Fiscal Analysis**

The bill would amend the Transportation Code to authorize 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, 2015.

### **Methodology**

It is assumed implementing the provisions of the bill would require additional resources for the Department of Public Safety (DPS). It is also assumed these resources, should they be provided, would be out of the General Revenue Fund.

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). This fiscal note assumes 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 I position to oversee the 33.3 additional employees for this new program. DPS would need two Fingerprint Technician I 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.

It is assumed the agency would require \$100,000 in fiscal year 2016 to create new license cards that are distinguishable from typical driver license cards.

Programming costs are estimated to be \$122,262 in fiscal year 2016 to fund an estimated 1,069 contractor hours for business analysis, development, quality assurance, network development, database administration, and project management.

It is assumed the agency would require \$1,050,000 in fiscal year 2016 to train and equip the new FTEs; modify the agency's Automated Fingerprint Information System to accommodate the 10 fingerprint collection requirement for these applicants only; modify the Driver License System to accommodate the permits and fees created by the bill; and make other conforming changes to the Driver License Division.

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. This fiscal note assumes 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 2016 original applicants will begin in fiscal year 2018. It is assumed all original permit holders will opt to renew. The renewal fee is \$24. Thus revenues in fiscal year 2018 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 2019.

Fiscal year 2020 would include the second-time renewals of the fiscal year 2016 original applicants, as well as the first-time renewals of the fiscal year 2018 original applicants, resulting in 72,800 renewals in fiscal year 2020. Thus revenues in fiscal year 2020 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 \$122,262 in fiscal year 2016 to fund an estimated 1,069 contractor hours for business analysis, development, quality assurance, network development, database administration, and project management.

### **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

**LBB Staff:** UP, JAW, JHa, AG, AI