

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 2015

TO: Honorable Larry Phillips, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2671 by Thompson, Senfronia (Relating to the suspension of a driver's license or denial of a driver's license renewal for failure to pay a debt owed to a governmental entity or failure to appear in court.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2671, As Introduced: a negative impact of (\$22,475,956) through the biennium ending August 31, 2017.

There could also be an additional loss of revenue from additional unpaid court costs and Driver Responsibility Program surcharges, but this amount cannot be determined at this time because it is not known how many people would not pay because of the reduction in consequences for nonpayment, nor what amount they would not pay.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$11,237,978)
2017	(\$11,237,978)
2018	(\$11,237,978)
2019	(\$11,237,978)
2020	(\$11,237,978)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund
	1
2016	(\$11,237,978)
2017	(\$11,237,978)
2018	(\$11,237,978)
2019	(\$11,237,978)
2020	(\$11,237,978)

Fiscal Analysis

The bill would repeal Chapter 706 of the Transportation Code. Chapter 706 authorizes the

Department of Public Safety (DPS) to deny the renewal of a person's driver's license if the person has: (1) failed to appear in response to a complaint or citation; or (2) failed to pay or satisfy a judgment for a fine and court costs. Chapter 706 also requires the assessment of a \$30 administrative fee against a person who fails to appear in response to a complaint or citation. The fee is not assessed if the person is acquitted of the charges for which the person failed to appear. A person who fails to pay or satisfy a judgment for a fine and court costs is also required to pay a \$30 fee.

The bill would also repeal other sections of the Transportation Code that allow DPS to automatically suspend a person's driver's license if the person fails to pay the amount of a surcharge imposed by DPS under the Driver Responsibility Program (DRP).

Methodology

The \$30 administrative fee (aka Omni fee) is regularly assessed. Of the \$30 fee, \$20 is directed to the State. The remaining \$10 of the fee is directed to the County or City. Of the \$10 retained by the County or City, \$6 is paid to OmniBase Services, Inc. Omni Base Services is a private vendor with which DPS has contracted to assist with implementing Chapter 706. The remaining \$4 of the \$10 retained by the County or City is directed to the local government's general fund.

In Fiscal Year 2014, the State received \$11,237,978 from the Omni fee. That revenue is deposited to the State's General Revenue Fund. This fiscal impact assumes the same amount of revenue would be anticipated in future years.

The Department of Public Safety estimates there would also be a minimal cost associated with modifying the Drivers License System. It is assumed these changes could be implemented using existing resources.

Because the administrative fee for failure to appear and failure to pay would be repealed, and the denial or suspension of driver's license for failing to appear or pay required fines, costs, or surcharges would also be repealed, some additional people may not pay required court costs, fines, and Driver Responsibility Program surcharges. It cannot be determined how many people would not pay because of this reduction in consequences for nonpayment, nor what amount they would not pay. There could be an additional indeterminate loss to General Revenue and General Revenue-Dedicated funds from any additional court costs and DRP surcharges not paid.

Local Government Impact

Cities and counties would lose revenue from the repeal of the Omni Fee. The Office of Court Administration estimates that amount of lost revenue at \$2,247,596 per year. There could be an additional indeterminate loss of court cost and fine revenue if additional people do not pay other court costs and fines.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 405 Department of Public Safety

LBB Staff: UP, ESi, JJ, JQ