

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 1, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1308 by Menéndez (Relating to driver's licenses and personal identification certificates issued to veterans; reducing certain fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1308, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

The bill is estimated to reduce revenues both to the Texas Mobility Fund (Account 365) and the General Revenue-Dedicated Motorcycle Education (Account 501) as a result of the driver license and identification card fee reduction of 50 percent for qualified veterans.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2016 | \$0 |
| 2017 | \$0 |
| 2018 | \$0 |
| 2019 | \$0 |
| 2020 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from Texas Mobility Fund 365 | Probable Revenue (Loss) from Motorcycle Education Acct 501 |
|--------------------|---|---|
| 2016 | (\$496,638) | (\$24,332) |
| 2017 | (\$511,537) | (\$25,062) |
| 2018 | (\$526,883) | (\$25,814) |
| 2019 | (\$582,000) | (\$26,588) |
| 2020 | (\$558,970) | (\$27,386) |

Fiscal Analysis

The bill would amend the Transportation Code relating to driver's licenses and personal identification certificates issued to veterans.

The bill would require the Texas Department of Public Safety (DPS) and the Texas Veterans Commission to develop and issue a one-page informational paper about veterans services provided by the state to a veteran who receives a driver's license or personal identification certificate with a veteran's designation. The bill would reduce the driver's license fee by 50 percent for a qualified veteran.

This bill would take effect September 1, 2015.

Methodology

The Department of Public Safety (DPS) has indicated it could implement the provisions of the bill within current resources.

Both DPS and the Texas Department of Transportation have indicated there would be a negative impact to the Texas Mobility Fund (Account 365) resulting from the reduction in the driver license and identification card fees. DPS further indicated the fee reductions would also impact the General Revenue-Dedicated Motorcycle Education (Account 501).

In estimating the fiscal impact of the bill, DPS assumed 2014 levels of driver license and identification card transactions involving veterans. In fiscal year 2014, there were 78,872 transactions involving veteran designations. Of these, 73,476 were for driver licenses and 5,396 were for identification cards. Out of these transactions, 23,499 were already eligible to waive the DL/ID issuance fee based on disability standards. As such, DPS assumed a fee reduction of 50 percent for all remaining transactions (55,373), resulting in the following revenue losses:

Texas Mobility Fund (Account 365): losses of \$496,638, \$511,537, \$526,883, \$542,690, and \$558,970 for the fiscal years 2016, 2017, 2018, 2019, and 2020, respectively.

General Revenue-Dedicated Motorcycle Education (Account 501): losses of \$24,332, \$25,062, \$25,814, \$26,588, and \$27,386 to the for fiscal years 2016, 2017, 2018, 2019, and 2020, respectively.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 403 Veterans Commission, 405 Department of Public Safety, 601 Department of Transportation

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