

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

TO: Honorable Poncho Nevárez, Chair, House Committee on Homeland Security & Public Safety

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1938 by Deshotel (Relating to the expiration date of a commercial driver's license; increasing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1938, As Introduced: an impact of \$0 through the biennium ending August 31, 2021.

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, Ten-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2020 | \$0 |
| 2021 | \$0 |
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |
| 2025 | \$0 |
| 2026 | \$0 |
| 2027 | \$0 |
| 2028 | \$0 |
| 2029 | \$0 |

All Funds, Ten-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365 |
|-------------|--|
| 2020 | \$885,000 |
| 2021 | \$3,595,000 |
| 2022 | \$3,649,000 |
| 2023 | \$3,704,000 |
| 2024 | \$3,759,000 |
| 2025 | \$2,226,000 |
| 2026 | (\$2,579,000) |
| 2027 | (\$2,618,000) |
| 2028 | \$3,990,000 |
| 2029 | \$4,050,000 |

Fiscal Analysis

The bill would amend statute to increase the expiration date of an original or renewal Commercial Driver License (CDL) from 5 to 8 years for certain applicants (after the applicant's next birthday), and increase the fee from \$60 to \$96.

In regards to expired CDLs, the bill would allow the renewal of a CDL that has been expired for less than one year, with an expiration date of eight years after the expiration date shown on the original CDL.

The bill would also set fees for CDL holders with a hazardous material endorsement at \$60, and stipulates an expiration date of five years after the applicant's next birthday.

In regards to expired CDLs with hazard material endorsements, the bill would allow the renewal of a CDL that has been expired for less than one year, with an expiration date of five years after the expiration date shown on the original CDL. For an expired CDL of more than one year, but less than two years, the expiration date is five years after the applicant's last birthday.

Methodology

It is assumed that the provisions of the bill relating to the continued administration of the commercial driver license (CDL) program by the Department of Public Safety (DPS) could be absorbed using existing resources.

According to the Comptroller of Public Accounts (CPA) and information received by DPS, there are approximately 98,000 CDLs to which the provisions of the bill would apply in fiscal year 2020. This number was estimated using the expected overall growth rate in the driver license fee collections in the *2020-21 Biennial Revenue Estimate*. The bill would apply to licenses issued or renewed after June 1, 2020.

According to CPA analysis, current licenses are valid for five years. As the bill's effective date is June 1, 2020, the first six years after the implementation of the bill would see an increase in revenue to the Texas Mobility Fund (TMF). Years seven and eight would see a decrease, as applications are expected to significantly decrease.

Note: The bill would reduce, rescind, or repeal the dedication of a specific source or portion of

revenue dedicated to the Texas Mobility Fund. Article 3, Section 4ment of any outstanding debt obligations, the Legislature may not reduce, rescind, or repeal the dedication of a specific source or portion of revenue dedicated to the Texas Mobility Fund unless the Legislature by law dedicates a substitute or different source of revenue that is projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: WP, LBO, AI, SMi