

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: HB2478 by Deshotel (Relating to driver's licenses, commercial driver's licenses, and other identification certificates; authorizing and increasing fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2478, 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	\$7,249,000
2021	\$29,433,000
2022	\$29,875,000
2023	\$30,323,000
2024	\$30,777,000
2025	\$29,650,000
2026	\$2,447,000
2027	(\$55,912,000)
2028	\$28,925,000
2029	\$29,359,000

Fiscal Analysis

The bill would amend statute to allow an agreement between the Department of Public Safety (DPS) and a private vendor for the issuance of renewal and duplicate driver licenses, election identification certificates, and personal identification services, and stipulates that a vendor providing services may charge a fee up to \$10 for each transaction.

Drivers' License - The bill would amend statute to extend the validity of a driver license from six to eight years and increase the fee from \$24 to \$32.

Commercial Drivers' License - The bill amends statute to increase the expiration date of certain original or renewal Commercial Driver Licenses (CDL) from five to eight years for applicants who hold certain other classes of licenses 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. If the CDL has been expired more than one year, the renewal license would expire seven years after the date shown on the license.

Commercial Drivers' License with Hazardous Material Endorsements - The bill would also stipulate an expiration date of five years after the applicant's next birthday for CDL holders with a hazardous material endorsement.

In regards to expired CDLs with hazardous 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 date shown on the license.

Methodology

The cost to DPS to implement the provisions of the bill would be insignificant.

According to the Comptroller of Public Accounts (CPA), the \$10 fee described above will have no state impact as the revenue would not be remitted to the state.

According to the CPA and information received by DPS, there are approximately 3,182,000 DLs and 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, 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. The table below shows a revenue forecast of ten years to demonstrate the effects of the bill in the out years.

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, CW