

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 30, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB15 by Nichols (Relating to the Texas Consumer Privacy Act Phase I; creating criminal offenses; increasing the punishment for an existing criminal offense.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB15, As Introduced : a negative impact of (\$41,153,600) through the biennium ending August 31, 2023.

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:

| <i>Fiscal Year</i> | <i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i> |
|--------------------|---|
| 2022 | (\$20,576,800) |
| 2023 | (\$20,576,800) |
| 2024 | (\$20,576,800) |
| 2025 | (\$20,576,800) |
| 2026 | (\$20,576,800) |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | <i>Probable Revenue (Loss) from General Revenue Fund 1</i> | <i>Probable Revenue (Loss) from Texas Mobility Fund 365</i> | <i>Probable Savings/(Cost) from Texas Department of Motor Vehicles Fund 10</i> | <i>Change in Number of State Employees from FY 2021</i> |
|--------------------|--|---|--|---|
| 2022 | (\$20,576,800) | (\$47,423,200) | (\$345,586) | 5.0 |
| 2023 | (\$20,576,800) | (\$47,423,200) | (\$330,786) | 5.0 |
| 2024 | (\$20,576,800) | (\$47,423,200) | (\$330,786) | 5.0 |
| 2025 | (\$20,576,800) | (\$47,423,200) | (\$330,786) | 5.0 |
| 2026 | (\$20,576,800) | (\$47,423,200) | (\$330,786) | 5.0 |

Fiscal Analysis

The bill would amend Chapter 730 of the Transportation Code to prohibit the disclosure of certain personal information to an entity other than an authorized recipient, as defined by the bill, and restrict the use of certain personal information obtained by an agency for certain purposes.

The bill would create new offenses related to improper use of personal information obtained in connection with a motor vehicle record. Those offenses would be punishable by a fine not to exceed \$100,000.

The bill would increase the maximum fine that could be imposed under Section 730.013 from \$25,000 to \$100,000.

Methodology

The bill would prohibit the Department of Public Safety (DPS) from sending personal information to licensed private investigators and to insurance companies for non-CDL card holders and other users.

According to DPS, many private investigators and insurance companies purchase driver records from the agency not only for private investigation and insurance purposes, but also for other permissible uses.

DPS indicates that while the total amount of revenue loss resulting from the bill is unknown, it could amount to 100 percent of the driver record sales revenue, which is deposited to both the Texas Mobility Fund and General Revenue Fund (GR). The agency estimates that enactment of the bill could result in a total state revenue loss of \$68.0 million per fiscal year split between the two funds: \$47,423,200 to Fund 0365 (TMF) and \$20,576,800 to Fund 0001 (GR).

The bill would prohibit a person from reselling personal information obtained by an agency in connection with a motor vehicle record. The Department of Motor Vehicles reports approximately 2,000 entities receive motor vehicle information from the department in a capacity that they could be reselling and providing to other end users in a searchable, on-demand format. TxDMV assumes a significant number of requests for personal information that are currently fulfilled by such entities (e.g., requests from tow truck operators for vehicle owner information) would shift to direct public information requests to TxDMV as a result of the bill. TxDMV estimates an additional 5.0 full-time-equivalent (FTE) positions would be needed to receive and process an increase in public information requests and requests for access to information through the agency's automated systems beginning in fiscal year 2022. Based on the information provided by TxDMV, it is assumed the agency would require one Attorney III (\$83,600 per year), one Legal Assistant II (\$47,688 per year), and three Customer Service Representative III positions (\$37,914 per year for each FTE). Payroll related costs for agency group insurance and retirement contributions (1.5 percent of salary cost) are estimated to be \$3,675 per fiscal year, and employee benefits costs (32.52 percent of salary cost) are estimated to be \$79,683 per fiscal year. Initial startup costs for the additional FTES and other operating expenses are estimated to be \$17,200 in fiscal year 2022 and \$2,400 each fiscal year thereafter. The estimated costs to the Texas Department of Motor Vehicles Fund for fiscal years 2022 to 2026 are included in the table above.

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 49-k, of the Texas Constitution, specifies that while money in the Texas Mobility Fund is pledged for the payment 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.

Technology

According to DPS, any costs for the programing and required driver license resources will be absorbed operationally.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: JMc, AAL, KFB, NA, TG

