

**AN OVERVIEW** 

PRESENTED TO THE SENATE TRANSPORTATION COMMITTEE LEGISLATIVE BUDGET BOARD STAFF

January 2016

#### **Presentation Overview**

- 1. Statutory basis
- 2. Program description
- 3.GEER recommendations (2007, 2009, 2015)

## **Statutory Basis**

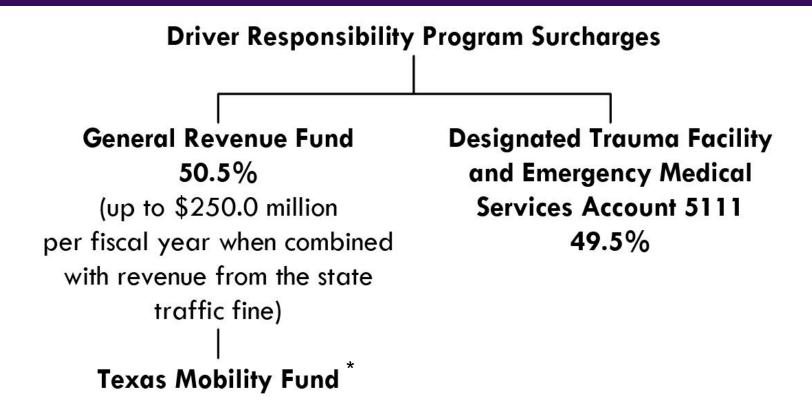
- Chapter 708, Transportation Code
- Enacted by House Bill 3588, Seventy-eighth Legislature, Regular Session
  - Amended by House Bill 2, Seventy-eighth Legislature, Third Called Session
  - Statute became effective September 1, 2003

#### Surcharges based on driving violations

- Points: accumulating six or more points from specific moving violations within a 36 month period
- Driving while Intoxicated (DWI): operating a motor vehicle with an alcohol concentration of 0.08 or more
- License Invalid/No Insurance:
  - driving while license invalid (DWLI), meaning that the license is suspended or revoked, or
  - failing to maintain financial responsibility (having no insurance)
- No License (NL): driving with no license or an expired license

#### **Penalties Assessed Upon Conviction**

- Points: \$100 for the first six points and \$25 for each additional point
- DWI:
  - \$1,000 for a first offense
  - \$1,500 for a second or subsequent DWI conviction
  - \$2,000 if alcohol concentration is 0.16 or more
- DWLI or No Insurance: \$250
- No License: \$100
- Collected for three years following final conviction or the total amount owed over the three-year period may be paid in advance as a single payment
- If an individual has not paid or entered into agreement to pay the surcharge by the 30th day after notification, license is automatically suspended



<sup>\*</sup> Revenue to the General Revenue Fund has not exceeded \$250 million since this allocation was changed in fiscal year 2006, so no funds have been sent to the Texas Mobility Fund since this time.

## Revenue (in millions), Fiscal Years 2009 –2015

	2009	2010	2011	2012	2013	2014	2015
General Revenue	\$85.7	\$81.9	\$86.1	\$88.4	\$68.7	\$73.0	\$76.4
Trauma Account 5111	\$84.0	\$80.4	\$84.4	\$85.0	\$69.1	\$71.6	\$74.9
Total	\$169.6	\$162.3	\$170.4	\$173.4	\$137.8	\$144.5	\$151.2

Note: Numbers may not sum due to rounding. Source: Comptroller of Public Accounts

#### **Collection Rates**

The cumulative collection rate of the program rose from about 40 percent in fiscal year 2010 to nearly 51 percent in fiscal year 2014.

# Cumulative Collection Rate by Category, Fiscal Year 2014

	FY 2014		
Category	Collection Rate	# of Cases	
Points	73%	787,630	
Intoxication	42%	1,228,527	
No Insurance	40%	5,646,095	
DWLI	23%	957,522	
No DL	29%	3,659,312	

NOTE: Represents the percentage of revenue billed and collected beginning September 30, 2004. Source: Department of Public Safety.

## **LBB GEER Recommendations**

- Increase Driver Responsibility Program Collections and Offender Compliance Government Effectiveness and Efficiency Report, 2007
- Improve Compliance with the Driver Responsibility Program Government Effectiveness and Efficiency Report, 2009
- Improve Driver Responsibility Program Compliance and Promote Good Driving Behavior Government Effectiveness and Efficiency Report, 2015

All three reports identified concerns that could be impacting collection rates and program compliance and included recommendations to increase collections and compliance.

# LBB GEER Recommendations (2007)

Increase Driver Responsibility Program Collections and Offender Compliance
Government Effectiveness and Efficiency Report, p. 421

- Require DPS to negotiate an additional collection contract including more extensive collection techniques (adopted with modification by Legislature)
- Make payment of certain surcharges more feasible for low-income drivers, including allowing reinstatement of installment plans and periodic amnesty programs (adopted with modification by Legislature)
- Allow additional consequences for nonpayment of certain surcharges, such as liens on personal property (recommended applying to points and DWI violators only) (not adopted by Legislature)
- Provide incentives for bad drivers to change their behavior through a reduction in surcharges or the number of years surcharges are collected (adopted by Legislature)

# LBB GEER Recommendations (2009)

Improve Compliance with the Driver Responsibility Program
Government Effectiveness and Efficiency Report, p.333

- Require DPS to establish an indigency program which includes reducing an offender's surcharges (adopted by Legislature)
- Require courts to issue a statement to defendants informing them of surcharges to be paid to DRP (not adopted by Legislature, but Legislature did establish new requirements for DPS notification)
- Authorize DPS to adjust surcharges to maximize compliance among offenders (recommended no more than a 40 percent cut in surcharges) (adopted by Legislature)

# LBB GEER Recommendations (2015)

Improve Driver Responsibility Program Compliance and Promote Good Driving Behavior Government Effectiveness and Efficiency Report, p.306

- Direct DPS to improve DRP program outreach by (1) including a statement about DRP in TexasSure letters, license renewal notices, and on certain websites, and (2) developing training curricula on DRP for peace officer training (adopted by Legislature)
- Intercept state lottery winnings and unclaimed property proceeds of individuals with outstanding DRP surcharges (not adopted by Legislature)
- Reduce the amount of DRP surcharges for offenses of no insurance or no license by 50% if drivers comply with applicable insurance and driver license laws within 60 days of the offense (adopted by Legislature)

#### **GEER Recommendations Authorized**

- The Legislature has authorized DPS to:
  - Negotiate an additional collection contract and use more extensive collection techniques (2007)
  - Establish periodic amnesty programs (2007)
  - Incentivize compliance with the law and efforts at rehabilitation, including reduction of a surcharge or decrease in length of installment plan (2007)
  - Reestablish installment plans on receipt of payment (2009)
  - Reduce surcharges (2009)

## **GEER Recommendations Required**

- The Legislature has required DPS to:
  - Develop an indigency program (2009)
  - Waive fees upon proof of indigency (2009)
  - Improve DRP program outreach by (1) including a statement about DRP in TexasSure letters, license renewal notices, and on certain websites, and (2) developing training curricula on DRP for peace officer training. (2015)
  - Reduce the amount of DRP surcharges for offenses of no insurance or no license by 50% if drivers comply with applicable insurance and driver license laws within 60 days of the offense. (2015)



#### **Contact the LBB**

Legislative Budget Board www.lbb.state.tx.us 512.463.1200