

SUBJECT: Allowing advance payment of Driver Responsibility Program surcharges

COMMITTEE: Homeland Security and Public Safety — favorable, without amendment

VOTE: 8 ayes — S. Miller, Fletcher, Beck, Burnam, Driver, Flynn, Peña, Walle
0 nays

1 absent — Mallory Caraway

WITNESSES: For — Scott Henson; (*Registered, but did not testify*: Kristin Etter, Texas Criminal Defense Lawyers Association; Donald Lee, Texas Conference of Urban Counties; Michelle Romero, Texas Medical Association; Denise Rose, Texas Hospital Association; Dinah Welsh, Texas EMS, Trauma & Acute Care Foundation)

Against — None

On — Rebecca Davio, Texas Department of Public Safety

BACKGROUND: In 2003, the 78th Legislature enacted HB 3588 by Krusee, which created the Driver Responsibility Program (DRP), a system for identifying drivers who habitually violate traffic laws and assessing surcharges for different kinds of violations. Drivers pay a surcharge to the state if they accumulate a certain number of points or commit certain offenses. The points are based on traffic violations committed after September 1, 2003, including:

- accumulating six or more points from specific moving violations;
- driving while intoxicated (DWI) or failing a blood alcohol test;
- driving with a suspended license or without insurance; or
- driving with no license or an expired license.

The surcharge, which is collected each year for three years, ranges from \$100 for the first six points to \$2,000 for a DWI offense with a blood alcohol test of 0.16 or more.

About half of the DRP surcharge is designated for the state's Trauma Facility and EMS Fund, while the rest is used for program administration and for general revenue.

In subsequent sessions, the Legislature has authorized DPS to establish a periodic amnesty program and has required the department to establish a program for indigent drivers and an incentives program allowing the deduction of one point for each year that a driver does not accumulate points.

The DPS offered a one-time amnesty for drivers who had a surcharge assessed between September 30, 2004, and December 31, 2008, and are delinquent on those payments. The deadline to apply for the amnesty expired on April 7, 2011.

DIGEST:

HB 588 would require DPS to offer drivers with DRP surcharges the option to make a single upfront payment of the amount due during the next three years. DPS would have to notify the driver of the amount due over three years and to offer the option to make a one-time advance payment. If the driver made the payment and did not commit any additional violations requiring a surcharge, DPS would not have to take additional action to collect the surcharge or annually notify the driver of the surcharge.

The change would apply to any surcharge assessed before, on, or after the September 1, 2011 effective date of the bill.

**SUPPORTERS
SAY:**

HB 588 would allow drivers owing DRP surcharges for three years, particularly those convicted of driving without a license, to make a one-time payment to clear their accounts. It can be a hassle for both the driver and DPS to track these payments for three years. Allowing this option would reduce the time and costs for making installment payments. Besides, some drivers will want to rectify the situation by making the payment as quickly as possible. They still could make installation payments and would not have to pay a lump sum.

The bill would fix an oversight in the program that makes no provisions for a one-time lump sum payment. DPS should be required to accept upfront payments even if few drivers took advantage of the program. Unlike the optional amnesty, indigent, and incentive programs, an upfront payment program would allow the state a better chance to collect the full amount due for the surcharges.

Despite criticism of its implementation, the DRP program has yielded about \$720 million in funding for trauma hospitals since its inception, and eliminating the surcharge would take needed dollars away from an already distressed state budget.

OPPONENTS
SAY:

HB 588 would raise little or no extra money. Drivers would just wait for the next amnesty period, if they even bothered to try to settle their accounts. The experience with the most recent amnesty period — which attracted a compliance rate estimated by DPS to be about 14 percent — offers little optimism about the success of a single upfront payment program.

OTHER
OPPONENTS
SAY:

All drivers owing a surcharge, not merely indigent ones, should receive a reduced rate to make a one-time payment. Providing a discount would give drivers an incentive to make those payments, and more money would be collected more quickly for trauma hospitals and the general revenue fund.

NOTES:

According to the fiscal note, the bill would have no significant fiscal implication because it would not affect the amount of revenue received from the surcharge, only the year when the revenue was received.

On March 22, the Homeland Security and Public Safety Committee considered two other DRP bills. The committee left pending HB 299 by Berman, which would abolish the DRP, and HB 1810 by Burnam, which also would repeal the program but would replace funding for the assistance to trauma care hospitals with an increase in the cigarette tax.