

# DRIVER LICENSE SURCHARGE

## Description

Texas drivers pay \$25 to apply for or renew their driver license every six years. This fee is dedicated to the Texas Mobility Fund. An additional driver license surcharge would be charged at the time of application or renewal and be dedicated solely to funding transportation.



txdps.state.tx.us

## Current Driver License Fees:

Original Driver License (under age 18)	\$16.00	Expires on 18 <sup>th</sup> birthday
Original Driver License (age 18+)	\$25.00	Expiration 6 years
Original Driver License (age 85+)	\$9.00	Expiration 2 <sup>nd</sup> birthday after application
Addition of Motorcycle Class	\$8.00	
Driver License Renewal (age 18+)	\$25.00	Expiration 6 years
Driver License Renewal (age 85+)	\$9.00	Expires 2 yrs from expiration prior to renewal
Motorcycle Renewal (under age 18)	\$8.00	Expires on next birthday
Motorcycle Renewal (age 18+)	\$8.00	Expiration 6 years
Learner License	\$16.00	Expires on 18 <sup>th</sup> birthday
Original Commercial Driver License	\$61.00	Expiration 5 years
Original Commercial Driver License (age 85+)	\$26.00	Expires 2 <sup>nd</sup> birthday after application date
CDL Renewal	\$61.00	Expiration 5 years
CDL Renewal (age 85+)	\$26.00	Expires 2 yrs from expiration prior to renewal
Occupational License	\$10.00	May be issued up to 2 years at \$10 per year

## How Will This Help?

### Help funds keep pace with rising highway construction costs –

Since 1991, roadway construction costs have almost doubled, while transportation revenues have grown at a much slower rate. Creating a Driver License Surcharge would help the slower growing transportation revenues keep pace with rising construction costs.

### Fuel tax revenues are eroded by increased fuel efficiency –

Fuel tax revenues will likely decrease over time. The expected growth in future population means more people traveling on the roadways and consuming more fuel. However, today's

## What's the Down-Side?

- **General opposition to fee increases** – The Legislature and the public have recently been opposed to tax or fee increases.

**Who: State**

**Cost to Collect: Low**

**Sustainability: ●●●○○○**

**Reliability: ●●●○○○**

**Implementation: Easy**

- **Not an annual fee** – Driver license renewal fees are only collected once every six years per driver (under age 85). New application and replacement licenses are unscheduled and vary in number from year to year.
- **Not a direct user-based fee** – All Texans who apply or renew their driver’s license must pay the fee regardless of how much they drive or even if they own a vehicle.

### Estimated Funding Yield

**\$5/License Surcharge:** \$338 million for transportation from 2014 to 2017.

**\$10/License Surcharge:** \$676 million for transportation from 2014 to 2017.

### Implementation Issues

- Low cost to implement.
- Legislative action is required to implement this funding change.
- Voters/users would need to be educated regarding the costs and benefits.



### Around the Nation

**New York** levied an additional fee of one dollar for every six months a person holds a license or learner’s permit. (A.B. 8180)

**Iowa** increased the motorcycle license fee by one dollar. (SF 2420)