



DRIVER LICENSE SURCHARGE



WHO



COST TO COLLECT



LONGEVITY



RELIABILITY



IMPLEMENTATION



WHO'S DONE IT

Pennsylvania: In 2013, Pennsylvania indexed the driver license fee to the rate of inflation.



New York: In 2010, New York levied an additional fee of \$1 for every six months

a person holds a license or learner's permit.

Iowa: In 2008, Iowa increased the motorcycle license fee by \$1.

More Information: tti.tamu.edu/policy/how-to-fund-transportation

Description

Most Texas drivers pay a \$25 surcharge to apply for or renew their driver license every six years. However, these fees can vary depending on the type and expiration date of the license being issued. This surcharge goes to the Texas Mobility Fund—a fund that helps pay for the construction, reconstruction, acquisition, and expansion of state highways. Revising this surcharge rate could support funding new road infrastructure.

What's the Downside?

- The Texas Legislature and the public have recently been opposed to tax or fee increases.
- Driver license renewal fees are not an annual fee. They are only collected once every six years per driver. New and replacement licenses are unscheduled and vary in number from year to year.
- Driver license renewal fees are not a direct user-based fee. All Texans who apply or renew their driver license must pay the fee, regardless of how much they drive or even if they own a vehicle.

How Will This Help?

- **Helps transportation funds keep pace** with rising highway construction costs and reduced fuel tax revenues as vehicles become more fuel efficient.
- **Reduces the need for borrowing** to finance transportation improvements.

ESTIMATED FUND YIELD FROM 2016–2019



\$5/license surcharge yields \$341 million for transportation

\$10/license surcharge yields \$682 million for transportation

