

Department of Planning and Budget
2003 Fiscal Impact Statement

1. Bill Number HB2660

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Van Yahres

3. Committee Commerce and Labor

4. Title Fire Programs Fund; assessment on motor vehicle insurance.

5. Summary/Purpose: The introduced legislation proposes to amend §38.2-401 of the Code of Virginia to require insurance companies that write motor vehicle insurance to pay an assessment of 1 percent of the total direct gross premium income from such insurance. The assessments will be paid into the Fire Programs Fund, which is administered by the Department of Fire Programs under policies established by the Virginia Fire Services Board.

6. Fiscal Impact: See item #8.

6b. Revenue Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2002-03 | | | |
| 2003-04 | \$45 million | | NGF |
| 2004-05 | \$45 million | | NGF |

7. Budget amendment necessary: Yes. Item 438

8. Fiscal implications: The fiscal impact of this legislation is uncertain. The Department of Fire Programs (DFP) advises that the State Corporation Commission (SCC) provided it with estimates on potential revenues if auto lines were added. The SCC (Bureau of Insurance) estimates that approximately \$45 million in additional revenues may be generated if the following five lines were added; Private Passenger Auto No-Fault, Other Private Passenger Auto Liability, Commercial Auto No-Fault, Other Commercial Auto Liability, Private Passenger Auto Physical Damage, and Commercial Auto Physical Damage.

9. Specific agency or political subdivisions affected: Department of Fire Programs, Localities, insurance carriers.

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to SB1166.

Date: 01/21/03/MEM

Document: G:\Fis\03\Dfp\Hb2660.Doc Michael McMahon

cc: Secretary of Public Safety