

Department of Planning and Budget 2003 Fiscal Impact Statement

1. **Bill Number** SB1166

House of Origin ☒ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Puckett

3. **Committee** House 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	\$37 million		NGF
2004-05	\$37 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 \$37 million in additional revenues may be generated if the following six 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:** None.

Date: 02/06/03/MEM

Document: G:\Fis\03\Dfp\Sb1166.Doc Michael McMahon
cc: Secretary of Public Safety