

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** HB847ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron** Brink

**3. Committee** Passed Both Houses

**4. Title** Driver improvement clinics.

**5. Summary/Purpose:** The legislation proposes to amend §46.2-490 of the Code of Virginia, by adding sections numbered §46.2-490.3 through 46.2-490.11, and to repeal §46.2-490.2 of the Code of Virginia, to give the Department of Motor Vehicles (DMV) clear statutory authority to impose penalties for wrongdoing on the part of driver improvement clinic operators and instructors. The bill describes offenses for which DMV may impose suspensions, revocations of clinic and instructor certificates, and gives DMV the ability to impose civil penalties for such offenses. Penalties may be contested using a hearing procedure. The bill also defines and gives DMV express authority to certify computer-based clinic providers, and increases fees presently paid by clinic providers.

**6. Fiscal Impact Estimates are:** Final. See item #8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The fiscal implications of this legislation are uncertain. The bill gives the Department of Motor Vehicles the authority to charge, in addition to the current \$100 annual fee per clinic operator, a \$25 annual fee for each additional clinic site operated by a clinic operator. The new site fee is designed to address concerns with clinic operators advertising non-existent clinic sites to unfairly draw business from competitors' clinics.

The bill also allows for the collection of an annual fee of \$50 per clinic instructor. The clinic instructor fee is designed to recover administrative costs associated with clinic instructors. Current clinic operator fee collections are approximately \$20,700. Based on the current 207 clinic operators, 920 sites and 785 clinic instructors, should this bill pass, DMV expects to collect an additional \$57,075 (\$17,825 in additional site fees and \$29,250 in instructor fees).

DMV estimates that it cost approximately \$659,000 last year to administer the Driver Improvement Clinic Program. This figure includes: \$356,000 in postage to mail attendance orders to students; \$154,000 in DMV staff costs; \$80,000 to produce the attendance orders; \$48,000 in annual audits of the clinics; \$19,000 in investigative costs; \$1,000 in administrative hearings; and \$1,000 in website and newsletter cost. This funding is included in the agency's budget.

The bill also gives DMV the clear authority to license on-line clinics, which gives the agency the authority to provide clinic instruction via the Internet. There are currently eleven on-line clinic providers. Online clinics are not only convenient, but they will also give DMV's customers more clinic choices.

The Virginia Substance Abuse Program (VASAP) will also be affected, as it will be required to pay a total of \$675 annually, which includes the \$100 operating fee, and a \$25 fee for each of its 23 alternate clinic sites. VASAP's 86 instructors will each be required to pay the \$50 per year instructor fee.

The bill also gives the Department of Motor Vehicles (DMV) the authority to impose civil penalties on driver improvement clinic operators and instructors. However, the department is unable to accurately estimate the number of violators or the penalties that may be collected.

The legislation further states that anyone that willfully engages in any unlawful act enumerated in this legislation will be found guilty of a Class 1 misdemeanor, which provides for a sentence of up to 12 months in jail. Inasmuch as the DMV cannot accurately estimate the number of potential violations, it is impossible to accurately estimate how many additional inmates in jail could result from this proposal. Any increase in the jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs is paid on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board, the estimated total state support for local jails averaged \$29.80 per inmate, per day in FY 2002.

**9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, VASAP.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 03/09/04 / MEM

**Document:** G:\Fis\04\Dmv\Hb847er.Doc Michael McMahon

cc: Secretary of Transportation