

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1243

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

2. Patron: Hugo

3. Committee: Senate Transportation

4. Title: Civil remedial fees; repeals provision for those imposed certain drivers.

5. Summary: The proposed legislation would repeal § 46.2-206.1, Code of Virginia, which provides for the imposition of civil remedial fees on certain drivers. The bill contains an emergency enactment clause.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact: The proposed legislation would repeal the abusive driver provisions of HB 30202. The expenditures related to collecting the civil remedial fees are recovered through the collections. The 2007 Appropriation Act authorizes the Department of Motor Vehicles (DMV) to impose an administrative cost on the revenues collected.

6b. Revenue Impact:

Statewide Transportation Funding

(millions of dollars)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Abusive Driver Fees	(\$61.8)	(\$65.4)	(\$65.4)	(\$65.4)	(\$65.4)	(\$65.4)
Statewide Funding Total	(\$61.8)	(\$65.4)	(\$65.4)	(\$65.4)	(\$65.4)	(\$65.4)

7. Budget Amendment Necessary: Yes, decrease in Item 455 for \$61.8 million in FY 2009 and \$65.4 million in FY 2010.

The Office of the Attorney General has concerns regarding the ability of the legislative branch to release citizens from assessments contained in court orders. Language included in the budget may be necessary to address the issue.

8. Fiscal Implications: The proposed legislation would repeal the abusive driver fees as passed by the 2007 General Assembly in HB 3202. The revenues from the fees support the Highway Maintenance and Operating Fund (HMOF) and are used for maintenance expenditures. Current law directs all maintenance funding needs to be met prior to construction expenditures. In FY 2009, the crossover from the construction program was \$260 million. As the proposed legislation does not offset the repealed fees, the revenue loss to the HMOF would need to be offset by a transfer from the construction program.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Department of Transportation, Courts

10. Technical Amendment Necessary: None.

11. Other Comments: The revenue impact shown above in Item 6 b. for the abusive driver program is based upon the projections developed by DMV and the Department of Taxation in March 2007. As was noted by the Joint Legislative Audit and Review Commission in its December 5, 2007 report to the Joint Commission on Transportation Accountability, while inherently uncertain, these revenue estimates represent “a concerted effort to develop a projection based on the best available information.”

The actual revenue collected from the assessment of the conviction related fees for the six month period of July 1, 2007 through December 30, 2007 was \$3.9 million. According to the data received from the Courts, the total amount of fees assessed by the Courts during that same period was almost \$9.9 million.

These two sources of information indicate that the civil remedial fees imposed pursuant to §46.2-206.1, Code of Virginia, may not generate the amount of revenue that had been projected.

The Office of the Attorney General has concerns regarding the ability of the legislative branch to release citizens from assessments contained in court orders. Language included in the budget may be necessary to address the issue.

Date: 2/8/2008 dpb/smc

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cc: Secretary of Transportation