

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB1243

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

**2. Patron:** Hugo

**3. Committee:** Passed both houses

**4. Title:** Repealing civil remedial fees on 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 directs that no person charged with an abusive driver offense prior to the enactment of the proposed legislation, but not convicted prior to the enactment, shall have to pay a civil remedial fee. The bill directs the clerk of the court to transmit a notice to the State Comptroller when court records indicate a person has paid all or a portion of a civil remedial fee and a refund is to be paid by the State Treasurer.

The bill also directs that when the clerk of any court that has assessed a civil remedial fee, but such fee has not yet been collected, the clerk shall record an offsetting credit equal to the amount of the civil remedial fee owed. The clerk is to notify the Department of Motor Vehicles (DMV) that the civil remedial fee has been satisfied, and whether the individual's driver's license was suspended solely for failure to pay the civil remedial fee. If such license was suspended solely for failure to pay the fee, DMV is to reinstate the license.

DMV is to record an offsetting debit and credit for civil remedial fees owed in years two and three. DMV is to notify the individual that the balance for the civil remedial fees is zero.

The bill contains an emergency enactment clause, and will become effective upon passage in the House and Senate and the Governor's signature. The bill also contains an enactment clause stating the provisions of the bill will not cause the additional revenue sources contained in Chapter 896 of the 2007 Session to expire. Chapter 896 contained an enactment clause which required the additional revenue sources to expire if any of the revenue sources were used for non-transportation purposes.

**6. Fiscal Impact Estimates:** Final.

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008-09	(\$61.8 million)		NGF
2009-10	(\$65.4 million)		NGF
2010-11	(\$65.4 million)		NGF
2011-12	(\$65.4 million)		NGF

2012-13	(\$65.4 million)	NGF
2013-14	(\$65.4 million)	NGF

- 7. Budget Amendment Necessary:** Yes, a reduction in Item 455 of \$61.8 million in FY 2009 and \$65.4 million in FY 2010.
- 8. Fiscal Implications:** The revenues generated from the civil remedial fees are dedicated to the highway maintenance program. Current law directs all maintenance funding needs to be met prior to construction expenditures. In FY 2008, maintenance funding required an infusion of \$260 million from the construction program. The repeal of the civil remedial fees will increase the amount of construction funding that must be used for maintenance activities. A repeal of the civil remedial fees will result in an estimated revenue loss of more than \$385 million to the highway construction program in the next six years. The bill includes no provisions to offset this revenue loss.
- The provisions of the proposed legislation will increase the workload for the Department of Motor Vehicles and Courts. Clerk positions in the courts system are currently understaffed. The additional workload may exacerbate the situation. The Supreme Court is unable to estimate the additional cost associated with addressing the provisions of this bill.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Department of Transportation, and Courts
- 10. Technical Amendment Necessary:** None.
- 11. Other Comments:** The bill is similar to SB 1, although that bill does not contain an emergency enactment clause.

The revenue impact shown above in Item 6 b. 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.

**Date:** 3/17/2008 dpb/smc

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cc: Secretary of Transportation