

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB1826

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

**2. Patron:** Yost

**3. Committee:** Transportation

**4. Title:** Proof of financial responsibility; motor vehicles.

**5. Summary:** This bill requires operators of motor vehicles to carry proof of financial responsibility or proof of payment of the uninsured motorist fee when driving on the public highways.

**6. Budget Amendment Necessary:** No.

**7. No Fiscal Impact.** Preliminary. See Item #8.

**8. Fiscal Implications:** This legislation would require those operating a motor vehicle to carry proof of insurance, or proof that they have paid the Uninsured Motor Vehicle (UMV) fee. These constitute “financial responsibility.” Insurance companies typically provide some form of identification when a policy is issued. If a customer elects to pay the UMV fee, the Department of Motor Vehicles (DMV) issues a receipt for the transaction to prove payment. In addition, payment of the UMV fee is noted on a vehicle owner’s registration card. Va. Code § 46.2-368 allows anyone with more than 20 vehicles registered in Virginia to provide proof of self-insurance. The agency takes filing of self-insurance through Form FR-520 and issues a certificate attesting to self-insurance being in effect for all vehicles covered. If an individual were to be operating a vehicle that is self-insured by the owner, the driver would need to carry a copy of the self-insurance certificate in the vehicle to comply with this legislation.

Based on §§ 46.2-736 and 46.2-706, these credentials should be sufficient to prove financial responsibility. As such, there would be no fiscal impact to DMV.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles.

**10. Technical Amendment Necessary:** Yes, lines 27, 30, and 32, put a space between “responsibility” and “or” and line 44, put a space between “responsibility” and “by.”

**11. Other Comments:** None.

**Date:** 1/16/2017

**Document:** Janet Vogelgesang G:\16-18\FIS 2017\HB1826.docx

cc: Secretary of Transportation