

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1188

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

2. Patron: Edwards

3. Committee: Courts of Justice

4. Title: Driver's license suspension; repeal.

5. Summary: This bill removes the requirement that a person's driver's license be suspended for nonpayment of fines and court costs. The bill removes the existing provision that a person loses his driver's license for six months when convicted of or placed on deferred disposition for a drug offense. The provisions of this bill that affect the Code of Virginia have a delayed effective date of September 1, 2017.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: Both the Department of Motor Vehicles (DMV) and the Virginia Department of Health receive revenue from driver's license reinstatement fees. Whenever a person has their driver's license suspended, they must pay a \$145 reinstatement fee, of which DMV keeps \$45 and \$100 goes to the Trauma Center Fund. Where a defendant has multiple outstanding suspensions, they will pay the \$145 reinstatement fee for the first suspension and a \$5 fee for each additional suspension, which is retained by DMV.

This bill removes the suspension requirement for nonpayment of non-motor vehicle related fines and court costs. Based on historical reinstatement numbers, the Department of Health could experience a loss in annual revenues from driver's license reinstatement fees of \$839,782 for the Trauma Center Fund and a loss of \$394,770 for DMV.

On November 1, 2016, the Virginia Supreme Court issued Rule 1:24, establishing court payment plans for the collection of court fines and costs. It was already assumed that this rule would result in an approximate 25 percent reduction in current orders of suspension being issued, as fewer individuals would now be having their licenses suspended for failure to pay court costs due to the availability of payment plans that were manageable. The anticipated revenue impact from Rule 1:24 was estimated to be a loss of \$209,945 per year for the Trauma Center Fund and \$98,692 for DMV.

Therefore, the overall revenue impact from this proposal might be:

	Trauma Center Fund	DMV Reinstatements	Total
Total Impact	\$839,782	\$394,770	\$1,234,552
less Rule 1:24 Impact	-\$209,945	-\$98,692	-\$308,637
Bill's Fiscal Impact	\$629,837	\$296,078	\$925,915

The bill also removes the suspension requirement for deferred dispositions for drug offenses. The annual number of deferred dispositions for drug offenses with suspensions is unknown, although there are currently 10,869 individuals suspended only for drug related reasons. Assuming that the number of people who would have been suspended stays about the same, then the Trauma Center Fund could lose up to a maximum of \$760,800 and DMV could lose up to a maximum of \$358,665. The exact amount would depend on the number of persons who became eligible for reinstatement and subsequently pay the reinstatement fee.

DMV anticipates that it will incur implementation costs related to this bill. Programming required to implement this bill will cost \$38,100 and require 600 personnel hours. DMV would be able to absorb this cost within its existing resources assuming other legislative proposals with fiscal implications to DMV do not pass. DMV's current fiscal outlook precludes funding the cumulative burden of implementing the programming requirements of multiple pieces of legislation without improved revenue streams.

The potential funding loss from this proposal could reduce revenues to the Trauma Center Fund by over seven percent. The Virginia Trauma Center Fund was established to defray the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use, with the amount of funds awarded being based on the trauma center's uncompensated costs to provide this care. This potential diminishment to the Trauma Fund could cause Virginia Level I, II, and III designated trauma centers to incur greater fiscal impacts in maintaining their level of readiness.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Virginia Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 2049.

Date: 1/27/2017

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cc: Secretary of Transportation