

Department of Motor Vehicles 2017 Fiscal Impact Statement

1. Bill Number SB1280

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

2. Patron Ebbin

3. Committee Courts of Justice

4. Title: Suspension of driver's license for nonpayment of fines or costs.

5. Summary/Purpose: This bill removes the requirement that a court suspend the driver's license of a person convicted of any violation of the law who fails or refuses to provide for immediate payment of fines or costs. The bill allows a court, after 90 days of nonpayment where the court finds the nonpayment was not an intentional refusal to obey the sentence of the court, to provide additional time for payment, reduce the amount of each payment installment, assign community service in lieu of payment, or waive the unpaid portion in whole or in part. Upon a finding that the nonpayment was an intentional refusal to obey the sentence of the court, a court may suspend the defendant's driver's license until payment in full or until the defendant enters into a payment plan.

6. Fiscal Impact Estimate: Preliminary. See #8.

7. Budget amendment necessary: No.

8. Fiscal implications: For every individual who avoids suspension under the provisions of this bill, the Department of Motor Vehicles (DMV) and the Virginia Department of Health's Trauma Center Fund would experience a loss in reinstatement fee revenue. Whenever a person's driver's license is suspended, that person must pay a \$145 reinstatement fee, of which \$100 goes to the Trauma Center Fund and \$45 goes to DMV. If a person has multiple outstanding suspensions, they will pay the \$145 reinstatement fee for the first suspension, and a \$5 multiple order fee for each additional suspension satisfied, which is kept by DMV.

Over the past two fiscal years, there has been an average of 30,267 customers per year who were suspended for nonpayment of fines and costs and then satisfied the suspension order within 60 days. Because there is an existing 30 day grace period for payment, and because a license suspended for nonpayment of fines and costs cannot be reinstated until the fines and costs are paid or the person enters into a payment plan, DMV estimates that this represents the annual number of individuals who would pay their court fines and costs or enter into a payment plan between 31 and 90 days after conviction in the future. DMV estimates that approximately 25 percent of these customers will not be suspended in the future even if the bill does not pass because of the recent enactment of Rule 1:24 by the Virginia Supreme Court, which standardizes the granting of payment plans by courts. Finally, DMV assumes that all fines and costs suspension orders that are satisfied within 60 days are single orders,

subject to the full \$145 fee, since persons with multiple suspension orders are likely to need more time to resolve their suspensions prior to being eligible for reinstatement.

Based on the above, DMV estimates the following annual reinstatement fee revenue loss due to Rule 1:24 and this bill if it were to be enacted into law:

	Trauma Center Fund	DMV
Rule 1:24	(\$756,663)	(\$340,498)
SB 1280	(\$2,269,987)	(\$1,021,494)
Total	(\$3,026,650)	(\$1,361,992)

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, Virginia Department of Health, courts.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/3/2017

Document: Janet Vogelgesang G:\16-18\FIS 2017\SB1280S1.docx

cc: Secretary of Transportation