

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB181

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

2. **Patron:** Stanley

3. **Committee:** Appropriations

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

5. **Summary:** This bill repeals the requirement that 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 be suspended. The bill provides that the Commissioner of the Department of Motor Vehicles shall return or reinstate any person's driver's license that was suspended solely for nonpayment of fines or costs. Persons suspended prior to July 1, 2018, shall be charged a fee for reinstatement. The bill provides that it shall not become effective unless an appropriation to effectuate it is passed in the 2018 General Assembly Session.

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

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

8. **Fiscal Implications:** This bill repeals § 46.2-395 and with it the requirement to suspend the driver's licenses of persons who fail to either pay their court fines and costs within 30 days or to enter into a payment plan acceptable to the court. This bill also requires the restoration or return of any driver's license suspended by the Commissioner solely because of unpaid fines and costs prior to July 1, 2018, provided they pay the reinstatement fee.

Suspended drivers pay a \$145 reinstatement fee, of which \$100 goes to the Trauma Center Fund and \$45 goes to the Department of Motor Vehicles (DMV). Drivers with multiple suspensions or revocations pay the \$145 reinstatement fee for the first order reinstated and a \$5 multiple order fee for each additional order. Under current law, individuals must pay their fines and costs prior to being eligible for reinstatement. Under current law, they cannot pay the reinstatement fee unless they first paid their court fines and costs.

Since no new individuals would be suspended after July 1, 2018, for unpaid court fines and costs, there will be no reinstatement fee revenue from this source after July 1, 2018. At present, though, there are approximately 638,000 individuals who could have their driver's license reinstated through this legislation if they pay the \$145 reinstatement fee. Though it is not possible to determine how many of these individuals might pursue license reinstatement, for every 10 percent that do, \$2.87 million in revenues will be generated for DMV and \$6.38 million for the Trauma Fund.

In FY 2017, 57,589 drivers with approximately 80,000 orders of suspension paid the \$145 reinstatement fee. Using FY 2017 reinstatements as a base, approximately \$2.6 million in reinstatement fee revenue would not be collected annually by DMV in future years and deposits to the Trauma Center Fund would decrease by approximately \$5.8 million annually. Consequently, if each year 9.1 percent of the 638,000 individuals whose licenses are presently suspended pursue license reinstatement, there will be no fiscal implications to either DMV or the Trauma Fund during the 2018-20 biennium and the next eight years. In any year in which more than 9.1 percent of the eligible individuals seek reinstatement, additional revenues could be realized.

Because this bill removes a consequence for not timely paying court fines and costs, it is possible that collection of fines and costs would decrease. Courts would retain other methods of collection, such as wage garnishment and income tax withholding, which may offset any revenue lost from this bill.

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: 2/21/2018