

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB951

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Ruff

3. Committee: Transportation

4. Title: Uninsured motorist fee; repeal

5. Summary: This bill repeals the option to register an uninsured motor vehicle upon payment of the uninsured motor vehicle fee of \$500. The repeal has an effective date of July 1, 2024. The bill authorizes the Commissioner of the Department of Motor Vehicles to continue registering uninsured vehicles from July 1, 2023, to July 1, 2024, but provides that all such registrations shall expire prior to July 1, 2024.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The legislation would eliminate the ability to register uninsured motor vehicles by paying the uninsured motor vehicle fee. Fees from the registration of uninsured vehicles are deposited to the Uninsured Motorist Fund (Fund). The purpose of the Uninsured Motorist Fund is to reduce the cost of uninsured motorist insurance coverage. The State Corporation Commission distributes monies from the Fund among the insurers writing liability insurance on vehicles registered in Virginia.

In addition to the uninsured motor vehicle fee, the Fund receives revenues collected from penalties and fees for noncompliance with Virginia's financial responsibility laws. Of the \$5.3 million transferred by the Department of Motor Vehicles to the Fund in FY 2022, approximately \$650,000 was from the uninsured motor vehicle fee.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, State Corporation Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: None.