

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** SB1025

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

**2. Patron:** Watkins

**3. Committee:** Transportation

**4. Title:** Transportation network companies

**5. Summary:** This bill establishes a process for the licensing of transportation network companies (TNCs) by the Department of Motor Vehicles (DMV), provided that TNCs comply with the requirements for licensure. The bill requires TNCs to screen drivers (TNC partners), ensure that all drivers are at least 21 years old and properly licensed to drive, and conduct background checks on all drivers including criminal background, driving history, and status on the sex offender registry.

**6. Budget Amendment Necessary:** Yes, Item 433.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	\$639,116	7.0	NGF
2017	\$439,116	7.0	NGF
2018	\$439,116	7.0	NGF
2018	\$439,116	7.0	NGF
2020	\$439,116	7.0	NGF
2021	\$439,116	7.0	NGF

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2016	\$640,000	NGF
2017	\$440,000	NGF
2018	\$440,000	NGF
2019	\$440,000	NGF
2020	\$440,000	NGF
2021	\$440,000	NGF

**8. Fiscal Implications:** The Department of Motor Vehicles estimates first year expenditures of \$639,116 to implement the provisions of this legislation and \$439,116 to operate the program on an annual basis. The bulk of the annual recurring costs reflect the expense of hiring an additional seven full-time employees to handle enforcement of the laws, TNC

licensing, vehicle registration, insurance monitoring, complaint-handling, hearings, and compliance reviews. Vehicle registration identification markers and postage expenses account for the balance of the total annual cost.

The bill enacts fees that are estimated as adequate to cover the cost of administering the program. These fees include (a) an initial TNC license fee of \$100,000, (b) an annual fee of \$60,000 to renew the TNC's license, and (c) an annual per-driver fee of \$7 for the purchase of a driver record.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, local governments, state and local law enforcement.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** The bill requires the Department of Motor Vehicles to review the fees set forth to determine whether they adequately cover the costs of administering the program and to report its findings to the Chairman of the House and Senate Transportation Committees by December 1, 2016.

This bill is similar to HB1662.

**Date:** 1/26/15

**Document:** Janet Vogelgesang G:\14-16\2015 FIS\SB1025S1.docx

c: Secretary of Transportation