

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB1411

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

2. Patron: Newman

3. Committee: Passed Both Houses

4. Title: Collection of court costs by DMV

5. Summary: This bill allows the Executive Secretary of the Supreme Court to enter into an agreement with the Commissioner of the Department of Motor Vehicles (DMV) for the collection of court fines, costs, forfeitures, and penalties and court-ordered restitution at DMV customer service centers. The bill allows DMV to collect a \$2 processing fee to pay its processing costs. The Department of Motor Vehicles and the Office of the Executive Secretary shall annually submit a report on the progress of implementing the provisions of the bill.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. Final. See #8.

8. Fiscal Implications: The Department of Motor Vehicles estimates staff time of 3,045 hours within DMV's Information Technology division. The provisions of this legislation can be accomplished during the normal work schedules of DMV employees.

According to information provided by the Department of Taxation, its' Court Debt Unit, which currently collects fines, costs, and restitution pursuant to agreements with about 250 courts in the Commonwealth, is entirely funded through fees collected. After paying expenses associated with the Court Debt Unit, any leftover funds derived from the fees charged are transferred to the general fund. The introduced budget projects transfers of \$4.6 million in FY 2015 and \$5.1 million in FY 2016. As fees collected by DMV may reduce collections at the Department of Taxation, total fee collections transferred to the general fund could be reduced, although at the present time the magnitude of the reduction cannot be estimated.

DMV's ability to collect outstanding court costs is constrained by the requirement to accept only payment in full. DMV cannot accept partial payments, nor can the agency establish a payment plan. The agency's focus is specifically on those people who are paying their court costs for the purpose of seeking reinstatement of their driver's license. By providing an additional avenue for collections, the total amount of fines and court costs collected may increase. In 2013, the costs owed by these customers totaled \$636,760,861.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Department of Taxation, Virginia district courts.

10. Technical Amendment Necessary: No.

11. Other Comments: The bill requires DMV and the Office of the Executive Secretary of the Supreme Court to submit a joint report each December to the chairs of the House and Senate committees, detailing their progress in implementing the legislation.

Date: 2/19/15

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c: Secretary of Transportation