

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB 960

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

2. Patron: Carr

3. Committee: Appropriations

4. Title: Fines under certain local ordinances paid to local school division and Literary Fund.

5. Summary: Provides that fines imposed under local ordinances authorized by section 46.2-1313 (dealing with DUI, disposition of children in juvenile and domestic relations district courts, and appropriate provisions of Title 46.2 (Motor Vehicles) of the Code of Virginia), are to be paid in the following proportions: 50 percent to the school division of the locality in which the fines were imposed and 50 percent into the state treasury to the credit of the Literary Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: Under HB 960, localities would remit to the Commonwealth Literary Fund, 50 percent of all fines collected under ordinances authorized by section 46.2-1313 of the Code of Virginia. The remaining 50 percent of local fines collected under section 46.2-1313 would go to the local school division where the violation occurred. The most recent data available from the Auditor of Public Accounts (APA) reflects that a total \$68,959,440 was collected in local and town fines in fiscal year 2014. Data is not available on the proportion of those fines that were generated under ordinances authorized by section 46.2-1313, but based on preliminary data from the Commission on Local Government, it is reasonable to assume that more than 10 percent of those fines are generated under section 46.2-1313. If the conditions of HB 960 are applied to the most recent APA data, for every 10 percent of those fines that were generated under section 46.2-1313, a total of \$3,447,972 would be deposited into the Literary Fund of the Commonwealth instead of becoming revenue of the localities in which they were collected. The remaining 50 percent, approximately \$3.4 million, would go to local school divisions each year.

As a result, the legislation would also impact how local revenues under section 46.2-1313 are spent. Currently, a locality may spend 100 percent of these revenues freely within its budget. HB 960 would restrict the 50 percent retained for use in the public school division in the locality in which the fines were collected. This may or may not affect local school divisions. Ultimately, this impact will depend on whether or not the locality had previously been directing these funds to its school division.

9. Specific Agency or Political Subdivisions Affected: Commonwealth Literary Fund, local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: Revenues for all local fines are currently retained by the localities in which they are collected, except when local fines are determined to be in “excess” as defined in section 3-6.05 of the appropriation act. Under section 3-6.05, if local fines collected exceed 65 percent of the total of state and local fines collected in that locality, then the locality must remit one quarter of the excess (the amount over 65 percent of the total) to the Literary Fund of the Commonwealth. Based on analysis of data available on the APA website, each locality retained 92 percent or higher of the fines subject to section 3-6.05 reversion in fiscal year 2014. In total, 34 localities remitted \$832,034 of local fines to the Commonwealth Literary fund in 2014. The remainder of the localities did not collect an “excess” amount of fines and were not subject to section 3-6.05 in fiscal year 2014.