

Department of Planning and Budget

2023 Fiscal Impact Statement

1. **Bill Number:** SB1063

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Spruill

3. **Committee:** Transportation

4. **Title:** Driver improvement clinics and driver training schools

5. **Summary:** This bill lengthens from one year to two years the validity of and increases the cost of licenses and certifications for driver training schools that are third-party testers, third-party examiners for Class A driver training schools, driver improvement clinics, driver training instructors, and driver training schools, including computer-based driver education providers, and provides for concurrent expirations of licenses and certifications for such schools and their instructors. The bill has a delayed effective date of July 1, 2024. The bill authorizes the Commissioner of the Department of Motor Vehicles, from July 1, 2023, to July 1, 2024, to issue such licenses and certifications for a validity period of between one and 24 months with a fee prorated on a monthly basis to ensure the even distribution of renewals over a calendar year.

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

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

8. **Fiscal Implications:** The bill proposes extending the license and certification validity period from one year to two years for driver training schools, driver improvement clinics, third-party testers, and their associated instructors and examiners, thereby doubling the validity period of these licenses and certifications. Rather than doubling the fee, applicants will pay 50 percent more for the two-year license/certificate. For example, the cost of a one-year license with a \$100 fee would increase by 50 percent to \$150 but last two years.

The law currently authorizes the Department of Motor Vehicles (DMV) to issue one-year licenses and certifications to driver training schools, driver improvement clinics, third-party testers, and their associated instructors and examiners. The bill amends the language of Code §§ 46.2-326.1(B) and (E), 46.2-490(B), and 46.2-1701 to increase the duration of licenses and certifications for driver training schools, their instructors, third-party testers, third-party examiners, driver improvement clinics, and their instructors, from one year to two years.

The bill also allows DMV to issue such licenses and certifications between July 1, 2023 and July 1, 2024 to be valid for between one and 24 months, with a fee prorated on a monthly

basis. This flexibility allows DMV to ensure the even distribution of renewals over a calendar year and to align the renewal periods for driver improvement clinics, driver training schools, and third-party testers and their associated instructors and examiners.

DMV will achieve operational efficiencies through the longer license duration, which will offset reduced fee revenue. DMV does not anticipate significant implementation challenges associated with the bill and will be able to implement the legislation using existing resources.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 2247.