

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1677/1	Introduction Number SB-025
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Description
 penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, making an appropriation, and providing a penalty

Fiscal Effect

State:

- | | | |
|--|--|---|
| <input type="checkbox"/> No State Fiscal Effect
<input type="checkbox"/> Indeterminate
<input checked="" type="checkbox"/> Increase Existing Appropriations
<input type="checkbox"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Decrease Costs |
|--|--|---|

Local:

- | | | |
|---|--|---|
| <input type="checkbox"/> No Local Government Costs
<input checked="" type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|---|--|---|

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.395(5)(cq)

Agency/Prepared By DOT/ Robert Combs (608) 266-1449	Authorized Signature Jennifer Peters (608) 267-6979	Date 3/23/2017
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Fiscal Estimate Narratives

DOT 3/23/2017

LRB Number	17-1677/1	Introduction Number	SB-025	Estimate Type	Original
Description penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

In 2016 there were approximately 60,000 convictions for operating without insurance (CNI), 6,400 new cases and suspensions in the Safety Responsibility (SR) program, and 33,600 phone calls taken in the current SR program. Based on that the department assumes:

- Based on the current value of 5 phone calls per case/suspension in the current SR program, and an anticipated continuance of approximately 56,400 new CNI cases, if 33% of the convictions under this bill initiate a similar call that lasts approximately 4 minutes, there will be approximately 70,000 new calls resulting in a need for 2.7 FTE (\$155,000)
- Approximately 25% of the convictions under this bill will need manual updates such as correction of court errors, amended charges, re-opened cases, resulting in an increase of 2 FTE (\$117,000)
- The license plate reinstatements that would follow a CNI conviction under this bill would result in an increase of 3.8 FTE of work for the DMV field stations (approximately \$211,700). These license plate reinstatement fees are currently rare, as they are primarily applied to uninsured motorists who are involved in crashes, but would be applied to all CNI convictions through this bill.
- 112,800 additional mailings, costing approximately \$55,200
- The \$18 increase in driver license reinstatement costs for these convictions, assuming each conviction resulted in a reinstatement, would result in an increase of approximately \$1,016,000 to the Transportation Fund – none of which goes to DMV where the increased responsibilities would reside. Due to the timing of violations, one reinstatement may cover multiple convictions.
- The \$50 license plate reinstatement fee that would begin to be applied to this violation would, assuming each conviction resulted in payment, result in an increase of approximately \$2,822,000 to the Transportation Fund – none of which goes to DMV where the increased responsibilities would reside. Due to the timing of violations, one reinstatement may cover multiple convictions.
- The bill requires officers to cite individuals for CNI when there is no proof available, even if the individual has valid insurance. It is expected that individuals who have been ticketed for CNI, but had insurance at the time of their stop, would bring their proof to the law enforcement office to have the ticket dropped. In 2016 the Division of State Patrol issued 43,845 citations and warnings for both no-proof and no-insurance violations. Assuming 60% of those were issued as CNI violations that were later dropped, and assuming 5 hours of work per 200 citations, there would be an increase of 0.3 FTE (\$24,000).

This bill provides an appropriation of \$295,000 as a one time implementation cost.

Long-Range Fiscal Implications

The long-range fiscal impact would be \$562,900 (\$507,700 FTE, \$55,200 mailing).

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, making an appropriation, and providing a penalty		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): IT costs to implement this new process would be approximately \$295,000. This bill provides a one-time appropriation that would cover this IT implementation cost.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$507,700	\$
(FTE Position Changes)	(8.8 FTE)	
State Operations - Other Costs	55,200	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$562,900	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	562,900	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S	3,838,000	
TOTAL State Revenues	\$3,838,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$562,900	\$
NET CHANGE IN REVENUE	\$3,838,000	\$
Agency/Prepared By	Authorized Signature	Date
DOT/ Robert Combs (608) 266-1449	Jennifer Peters (608) 267-6979	3/23/2017