

OFFICE OF FISCAL ANALYSIS

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sHB-5331

AN ACT CONCERNING THE SUSPENSION OF MOTOR VEHICLE OPERATORS' LICENSES FOR FAILURE TO PAY FINES OR FEES OR FAILURE TO APPEAR FOR A SCHEDULED COURT APPEARANCE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
State Resources	Various - Potential Revenue Loss	See Below	See Below
Department of Motor Vehicles	TF - Revenue Loss	See Below	See Below
Department of Motor Vehicles	School Bus Seat Belt account (Non-lapsing GF) - Revenue Loss	See Below	See Below
Motor Vehicle Dept.	TF - Potential Cost	See Below	None

Note: Various=Various; TF=Transportation Fund

Municipal Impact: None

Explanation

The bill prohibits the Department of Motor Vehicles (DMV) from suspending a person's driver's license or registration solely for failure to pay fines or appear in court.

Sections 1 and 2 result in revenue loss due to foregone license restoration fees. Total revenue from these fees is approximately \$2.7 million annually to the Special Transportation Fund (STF) and less than \$1.1 million annually to the School Bus Seat Belt account in the General

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Fund.¹ DMV is unable to identify the amount of fee revenue derived from people that pay the license restoration fee due to having their license suspended solely for failure to pay or appear versus other reasons. Therefore, actual revenue loss from this bill is unknown but will be less than the totals cited above.

These sections also result in potential revenue loss from motor vehicle related penalties to the extent that a subset of violators no longer pays the requisite fines. For context, total revenue from relevant motor vehicle penalties varies, but has been less than \$20 million annually in recent years.

Section 3 results in a potential cost to DMV in FY 25 for reinstating any driver's license that had been suspending for the reasons addressed in the bill. It is unknown how many suspended licenses would be affected by this section.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of unpaid charges or as otherwise described.

¹ Each \$175 restoration fee is deposited to two places: \$125 to the STF and \$50 to the School Bus Seat Belt account.