

OFFICE OF FISCAL ANALYSIS

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sSB-183

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE DEPARTMENT OF MOTOR VEHICLES.

As Amended by Senate "A" (LCO 4849)

Senate Calendar No.: 199

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Resources of the General Fund	GF - Revenue Gain	See Below	See Below
Department of Emergency Services and Public Protection	Applicant Fingerprint Card Submission Account - Revenue Gain/ Loss	See Below	See Below
Department of Motor Vehicles	TF - Revenue Gain	See Below	See Below
Judicial Dept. (Probation)	GF - Potential Cost	See Below	See Below

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Local and Regional School Districts	Savings	None	Minimal
Municipal Police Departments	Potential Revenue Gain	See Below	See Below

OFA Fiscal Note

Sections 1-3 establish a process for registration and titling companies

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5/2/24

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to receive an electronic issuance license from the Department of Motor Vehicles (DMV). These sections establish a \$250 application and renewal fee, a \$100 renewal late fee, and a fee of up to \$2,000 for non-compliance, resulting in a revenue gain from fees.

Additionally, applicants must submit to fingerprint-based state criminal history records checks, resulting in a revenue gain to the General Fund¹ and a potential revenue gain to the Applicant Fingerprint Card Submission account in the Department of Emergency Services and Public Protection (DESPP) and municipal police departments beginning in FY 25.² It is unknown how many persons will apply for this license.

Section 4 imposes a \$100 late fee on transporter registrations and is expected to result in Special Transportation Fund (STF) revenue gain of less than \$10,000 annually from fees.

Section 6 requires motor vehicle recyclers to furnish a surety bond and imposes a \$200 administrative fee for non-compliance, resulting in potential STF revenue gain from fees.

Section 8, which expands existing class B misdemeanors pertaining to drivers' schools, results in a potential cost to the Judicial Department and a potential revenue gain to the General Fund from fines. On average, the marginal cost for supervision in the community is less than \$800 each year.³ Since 2014, there has been no revenue collected for this violation. Few, if any, violations are expected in the future.

Sections 33-36 authorize the operation of "low-speed vehicles" (LSV)

¹DESPP conducts state criminal history records checks for a fee of \$75, and the revenue that is collected from this fee is deposited into the General Fund.

²DESPP conducts fingerprinting for a fee of \$15 fee per person paid to the non-lapsing Applicant Fingerprint Card Submission Account. Funds in this account are used for IT support and maintenance for the fingerprinting systems. Municipal police departments may also conduct required fingerprinting and generally charge a fee of \$10 to \$15.

³Probation marginal cost is based on services provided by private providers and only includes costs that increase with each additional participant. This does not include a cost for additional supervision by a probation officer unless a new offense is anticipated to result in enough additional offenders to require additional probation officers.

on public roads, defines them as "motor vehicles" for purposes of motor vehicle laws, and creates an infraction for improper use. This results in potential revenue gain to the Special Transportation Fund from LSV registration fees, though it is unknown how many will be registered. It also results in potential revenue gain to the General Fund to the extent that infractions occur. Infractions are not crimes and are punishable by fines that usually range from \$100 to \$300.

Section 37 expands an existing class D misdemeanor⁴ for wrecker requirements to forbid towing to occur while a person occupies the vehicle being towed. This results in a potential cost to the Judicial Department for probation and a potential revenue gain from fines.

Section 38 requires the DMV to review existing policies and procedures on operating and inspecting school buses and to provide and post this guidance. This section does not result in a fiscal impact to the state because it can be accomplished within DMV's current operations.

Section 40 results in a potential minimal savings annually beginning in FY 26 to local and regional school districts that contract with school bus companies which purchase buses with three-point lap and shoulder seat belts. The section reestablishes a grant program that refunds school bus companies for 50% of the sales tax on such school buses they purchase. The section does not require school districts to purchase school buses with seat belts, which districts are allowed to do under current law. To the extent that the section reduces the cost to districts of contracting with private school bus companies, there would be a minimal savings. There were no grants awarded from FY 11 to FY 17, when the program was previously in effect. Grants awarded under the program are funded by the School Bus Seat Belt account, a non-lapsing General Fund account that was first established in FY 11. See Background for more information.

The section requires the Department of Motor Vehicles, in

⁴ In FY 23, there were 19 charges for similar offenses, and \$1,188 was collected in fines.

collaboration with the Department of Education, to inform schools districts annually about the program. This has no fiscal impact as it can be done within current operations.

Background PA 10-83, the act which established the school bus seat belt pilot program, also established the School Bus Seat Belt account as a separate non-lapsing General Fund account. Funding for this account is provided by a portion of the fee for restoring a suspended or revoked license (\$50 of the \$175 fee). Though the pilot program previously sunset on December 31, 2017, the School Bus Seat Belt account and its funding source remain active.

From its inception in FY 11 through FY 23, the account realized cumulative revenue of \$23.7 million, transfers-out of \$18.5 million⁵, and no spending related to the school bus seat belt pilot program. As of the beginning of FY 24, the account had a balance of \$5.3 million and is projected to realize approximately \$1.2 million in revenue annually from license restoration fees.

Section 41 provides a weight tolerance exemption for electric commercial vehicles and does not have a fiscal impact.

Section 42 changes the thresholds by which pick-up trucks must be registered as either combination or passenger and does not have a fiscal impact because the fees are the same under either registration.

Sections 43-45 prohibit contingent fees related to accessible placard certifications and imposes a \$1,000 penalty for violations, resulting in a potential revenue gain from fines.

The remaining sections are technical, make conforming changes, or otherwise do not result in a fiscal impact to the state or municipality.

Senate "A" eliminates the original bill and its associated fiscal impact,

⁵The most recent transfer-out was in FY 19 as part of the FY 18 and FY 19 biennial budget.

and results in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of electronic issuance license applications and renewals, violations, infractions, LSV registrations and violations for improper use, the number of grants awarded from the School Bus Seat Belt account, or as otherwise described above.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.