



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0194

Title: Generally revise vehicle liability insurance parameters

Primary Sponsor: Anderson, Fred

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$2,483,363	\$3,311,150	\$3,311,150	\$3,311,150
Net Impact-General Fund Balance:	<u>\$2,483,363</u>	<u>\$3,311,150</u>	<u>\$3,311,150</u>	<u>\$3,311,150</u>

Description of fiscal impact: HB 194 increases fines associated with operating a vehicle without insurance. These penalty increases are estimated to total an additional \$3.31 million per year to the general fund.

FISCAL ANALYSIS

Assumptions:

Department of Justice


1. There were 17,087 filings for violation of 61-6-301, MCA and 61-6-302, MCA in 2020.
2. Of these 17,087 violations, 9,719 yielded convictions in 2020.
3. It is assumed that the 7,368 violations that did not result in convictions took place at the first-time offender level.
4. The following is a breakout of the convictions: there were 5,197 first-time offender convictions, 2,491 second-time offender convictions, and 2,031 third-time or more offenders.
5. It is assumed that first-time offenders are always charged the minimum \$250 fine.
6. Collections for 2020 are calculated at \$1.30 million for first time offenders, \$870,000 for second time offenders, and 1.02 million for third-time or more offenders.
7. This is a total of \$3.19 million collected in penalties under 61-6-304, MCA in 2020.

Fiscal Note Request – As Introduced

(continued)

8. At the new fee levels, estimated collections would be \$2.60 million for first time offenders, \$1.87 million for second time offenders, and \$2.03 million for third-time or more offenders.
9. The total estimate using 2020 numbers, under new law, would be \$6.50 million.
10. The difference between current law fines and HB 194 fines is estimated at \$3.31 million per year.
11. An effective date of October 1, 2021 implies the increase in FY 2022 collections would be partially offset by 25% since three months of the fiscal year are under current law.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$2,483,363	\$3,311,150	\$3,311,150	\$3,311,150
TOTAL Revenues	<u>\$2,483,363</u>	<u>\$3,311,150</u>	<u>\$3,311,150</u>	<u>\$3,311,150</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$2,483,363	\$3,311,150	\$3,311,150	\$3,311,150

 _____ Sponsor's Initials	<u>1/26/21</u> _____ Date	<u>KA</u> _____ Budget Director's Initials	<u>1/25/21</u> _____ Date
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