



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2478

PRINTERS NO. 3700

PRIME SPONSOR: Kortz

COST / (REVENUE)

FUND	FY 2020/21	FY 2021/22
Motor License Fund	See "Fiscal Impact"	See "Fiscal Impact"
Public Transportation Trust Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends Title 75 (Vehicle Code) to allow a civil penalty in lieu of a license suspension for driving without insurance. This legislation would take effect in nine months.

ANALYSIS: The legislation permits an individual to pay a civil penalty of \$500, the reinstatement fee, and furnish proof of insurance in lieu of receiving the required three-month license suspension for driving an uninsured vehicle. An individual could only exercise this option once every five years.

The civil penalty fee collected is deposited in the Public Transportation Trust Fund.

FISCAL IMPACT: According to PennDOT, the costs for the IT system changes for PennDOT are estimated at \$550,000, which would take roughly nine months to implement. PennDOT also estimates the need for a new Clerk 3 position at an annual cost of \$78,631 to manage the processing of the civil penalty fee, restoration fee, and proof of financial responsibility. Those costs can be absorbed within available funding.

According to PennDOT, this legislation has the potential to generate approximately \$580,000 annually for the Public Transportation Trust Fund. This is calculated by using the same percentage of individuals paying a civil penalty in lieu of receiving a vehicle registration suspension during CY 2019. Of the 90,498 vehicle registration suspensions imposed, 7,994 individuals paid the \$500 civil penalty fee, or 9%. During that same time, PennDOT imposed 13,128 driving privilege suspensions for operating a motor vehicle without the required financial responsibility. Applying that same percentage would imply that 1,160 individuals would pay the civil penalty to generate roughly \$580,000 annually.

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House Appropriations Committee (R)

DATE: September 30, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.