

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-0502/1	Introduction Number AB-0092
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Description
 Penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, and providing a penalty

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input 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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 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
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOC/ Emily Reilly (608) 240-5413	Authorized Signature Melissa Roberts (608) 240-5055	Date 3/17/2015
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Fiscal Estimate Narratives

DOC 3/17/2015

LRB Number	15-0502/1	Introduction Number	AB-0092	Estimate Type	Original
Description Penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Current Law:

Current law prohibits, with certain exceptions, a person from operating a motor vehicle on a highway unless the vehicle owner or operator has in effect a motor vehicle liability insurance policy with respect to the motor vehicle. The penalty for violating current law is a fine up to \$500.

Current law also prohibits the falsification, forging, and counterfeiting of insurance to satisfy the requirement in the above clause. The maximum fine for violations of this law is up to \$5,000.

Proposed Bill:

This bill alters the penalties for violations of the motor vehicle insurance requirements. Under this bill, a person who violates the requirement that the owner or operator of a motor vehicle be insured is subject to a fine up to \$7,500.

In addition, the bill creates two new crimes, both punishable by a fine or imprisonment:

- 1) The bill also creates a new penalty for persons who, in the course of the violation, causes bodily harm to another or damage to the property of another, a forfeiture of not less than \$5,000 nor more than \$7,500. If, however, the person committing the violation knows at the time of the violation that he or she is not appropriately insured, the person committing the violation is guilty of a Class I felony, punishable by a fine not to exceed \$10,000 or imprisonment not to exceed three years and six months, or both.
- 2) If the person, in the course of the violation, causes the death of another, a forfeiture of not less than \$7,500 nor more than \$10,000. If, however, the person committing the violation knows at the time of the violation that he or she is not appropriately insured, the person committing the violation is guilty of a Class H felony, punishable by a fine not to exceed \$10,000 or imprisonment not to exceed six years, or both.

Fiscal Impact:

This bill creates two new criminal offenses; no current law exists providing a criminal penalty for this offense.

It is not possible to determine the fiscal impact to the Department of Corrections because the proposed bill would create a new population of inmates/offenders and no data is available to estimate how many individuals would be convicted of this crime and sentenced to DOC's institutions or be placed under the DOC's supervision in the community.

State costs could change if an increased number of offenders are convicted of this crime and placed on probation. If there is a large increase in the number of offenders placed on probation or extended supervision, additional community corrections funding and/or positions may be necessary to handle the population. The average FY14 annual cost to supervise one offender is approximately \$2,800.

The average FY14 annual cost for an inmate in a DOC institution is approximately \$32,800. However, when there is excess capacity in DOC facilities, the incremental costs (i.e. food, health care and clothing) of housing a small number of inmates is approximately \$5,700 based on FY14 costs. Should the

Department use contract beds, the rate would be approximately \$18,800 annually per person.

The local fiscal impact of the bill cannot be predicted because the Department of Corrections cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law. Costs at the local level may increase if offenders are placed in jail rather than prison; the average FY14 annual cost to jail an inmate was \$18,800.

Long-Range Fiscal Implications