



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

SB0108 - Revise laws related to proof of vehicle insurance (Usher, Barry )

**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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	(\$16,082)	(\$16,082)	(\$16,323)	(\$16,568)
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	(\$180,668)	(\$180,668)	(\$180,668)	(\$180,668)
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$164,586)</u>	<u>(\$164,586)</u>	<u>(\$164,345)</u>	<u>(\$164,100)</u>

**Description of fiscal impact:** SB 108 creates a fine revenue decrease due to removing penalties from 61-6-302, MCA, Proof of Compliance. This bill may also reduce Office of Public Defender (OPD) case matters.

### FISCAL ANALYSIS

**Assumptions:****Department of Justice (DoJ) – Montana Highway Patrol (MHP)**

- The minimum fine for the first offense is \$250. MHP writes an average of 3,473 citations for this offense each year. MHP assumes that the court convicts 30% of offenders. MHP assumes that \$260,475 in revenue would be lost for first offense citations.  $(\$250)(.3)(3,473) = \$260,475$
- The minimum fine for the second offense is \$350. MHP writes an average of 502 citations for the second offense each year. MHP assumes that the court convicts 30% of offenders. MHP assumes that \$52,710 in fine revenue would be lost.  $(\$350)(.3)(502) = \$52,710$

3. The minimum fine for third and subsequent offense is \$500. MHP writes an average of 321 citations for the third and subsequent offense each year court. MHP assumes that the court convicts 30% of offenders. MHP assumes \$48,150 in fine revenue would be lost.  $(\$500)(.3)(321) = \$48,150$
4.  $\$260,475 + \$52,710 + \$48,150 = \$361,335$  in revenue lost per year
5. Half of the fine revenue goes to the general fund and half goes to the county in which the citation is written.
6. MHP assumes a total decrease in general fund revenues of \$180,668 each fiscal year.  $(\$361,335 * 50\% = \$180,668)$

**Office of Public Defender**

7. OPD assumes savings due to removal of jailable offense for proof of insurance.
8. OPD has determined that 75 cases are first or second offense standalone charges.
9. OPD will see a savings of 75 cases at 3 hours each.
10. OPD assumes the reduction will be at contractor rate of \$71.00 per hour.
11. The total estimated savings resulting from this change will be \$16,082
12. An inflation rate of 1.5% will be added in each of FY 2024 and 2025,

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	(\$16,082)	(\$16,082)	(\$16,323)	(\$16,568)
<b>TOTAL Expenditures</b>	<u>(\$16,082)</u>	<u>(\$16,082)</u>	<u>(\$16,323)</u>	<u>(\$16,568)</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	(\$16,082)	(\$16,082)	(\$16,323)	(\$16,568)
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>(\$16,082)</u>	<u>(\$16,082)</u>	<u>(\$16,323)</u>	<u>(\$16,568)</u>
<b><u>Revenues:</u></b>				
General Fund (01)	(\$180,668)	(\$180,668)	(\$180,668)	(\$180,668)
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>(\$180,668)</u>	<u>(\$180,668)</u>	<u>(\$180,668)</u>	<u>(\$180,668)</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$164,586)	(\$164,586)	(\$164,345)	(\$164,100)
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Effect on County or Other Local Revenues or Expenditures:**

1. Half of the revenue received from citations goes to the counties, the counties would also see a revenue decrease of \$180,668 per year.

**NO SPONSOR SIGNATURE**      1/13/23      [Signature]      1-11-23

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Sponsor's Initials                      Date                      Budget Director's Initials                      Date