

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0086
Prime Sponsor(s): Rep. Holbert
 Sen. Jahn

Date: January 23, 2013
Bill Status: House Judiciary
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING PROOF OF MOTOR VEHICLE INSURANCE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Fines Collected Cash Fund		<\$5,000
State Expenditures		
Cash Funds		
Motorist Insurance Identification Account	\$5,000	See State Expenditures section
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill allows a court to dismiss a charge of non-compliance with compulsory auto insurance if it verifies the driver had a valid policy in effect at the time of the alleged violation by using the uninsured motorist insurance identification database. This bill also establishes a new class B traffic infraction, with a fine of \$500 and surcharge of \$4, for offering fraudulent evidence of valid vehicle insurance to officials.

Background

The motorist insurance identification database is overseen by the Department of Revenue and contains the insurance status of each Colorado registered vehicle, rather than the insurance status of individual owners or operators. The database matches criteria between vehicle registrations and insurance policy data, which is provided by insurance companies. Law enforcement obtains this insurance information from the Department of Revenue.

State Revenue

This bill establishes a new class B traffic offense. The fine is set at \$500 per violation, plus a \$4 surcharge, which will be credited to the Fines Collection Cash Fund in the Judicial Department. No data is available as of this writing for cases involving the fraudulent presentation of proof-of-insurance, however any revenue from this new infraction is expected to be minimal.

Under current law, it is a class 1 misdemeanor for any person to present an altered or counterfeit letter or insurance card to an official for the purpose of proving financial responsibility. The minimum fine for this misdemeanor is \$1,000. There have been a total of three cases filed for this charge within the last year.

State Expenditures

For FY 2013-14, this bill is expected to increase expenditures by \$5,000 cash funds for the Department of Revenue (DOR). Programming is required to provide interface and search capabilities to the database so that courts may query and validate insurance. Colorado Interactive, the administrator of the database, provides and maintains access services and will perform these duties. These costs are estimated to be \$5,000, payable from the Motorist Insurance Identification Account of the Highway Users Tax Fund.

This bill may also reduce court expenditures by broadening the ability to dismiss cases, but any savings are expected to be minimal and will not require a reduction in appropriations.

Local Government Impact

This bill may reduce court expenditures by broadening the ability to dismiss cases, but any savings are expected to be minimal.

State Appropriations

For FY 2013-14, the Department of Revenue requires an appropriation of \$5,000 from the Motorist Insurance Identification Account.

Departments Contacted

Counties
Municipalities
Transportation

Judicial
Public Safety

Local Affairs
Revenue