

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 490 - SB 604

March 3, 2023

SUMMARY OF BILL: Requires the owner of a motor vehicle to meet the requirements of the *Financial Responsibility Law of 1977* in order to register or renew a vehicle registration and for such policy to be valid for the registration and renewal period. A person who operates a motor vehicle in noncompliance with the *Financial Responsibility Law* has committed a Class C misdemeanor, punishable by a fine of \$250 for the first offense and \$500 for each subsequent offense. A person who alters, forges, or counterfeits an insurance card to make it seem valid, or makes or sells an invalid or counterfeit insurance card has committed a Class C felony. Effective July 1, 2023.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$84,000/FY23-24

Assumptions:

- According to information provided by the Department of Revenue, the proposed legislation would require programming changes to the Vehicle Title & Registration System so county clerks may obtain insurance information for registration transactions when verifying compliance with the Financial Responsibility Law of 1977.
- The one-time increase in state expenditures is estimated to be \$84,000 in FY23-24.
- The proposed legislation may result in increased compliance with the Law. However, any decrease in noncompliance fee revenue collected by DOR through the administration of the Insurance Verification Program is estimated to be not significant.
- Any impact on county clerks can be absorbed within existing resources without a significant increase in local expenditures.
- Any impact on state or local incarceration expenditures is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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