

**CORRECTED FISCAL MEMORANDUM
SB 3826 – HB 3628**

April 11, 2008

SUMMARY OF AMENDMENT (016079): Deletes the language of the original bill. Authorizes the court to order first-time DUI offenders with blood alcohol concentration levels that are more than .08, but less than 0.20, to operate only motor vehicles or motorcycles equipped with ignition interlock devices after a thirty day suspension of the person's driver's license for a period of eleven months after such person's license is no longer suspended in lieu of having a restricted license. Requires the court to order ignition interlock devices for vehicles operated by first-time offenders with blood alcohol concentration levels exceeding 0.20, or for second, third, and fourth-time offenders. The period of time that each DUI offender's license will be suspended and the period of time each is required to only operate motor vehicles with ignition interlock devices increases with each subsequent offense. Creates a Class A misdemeanor offense for DUI offenders who tamper with the device with the purpose of circumventing the proper operation of the device, or for soliciting others to start a vehicle with an ignition interlock device, or for any person who complies with such solicitation, and for any person who provides a vehicle to a DUI offender whose own vehicle has been equipped with an ignition interlock device. Requires the Department of Safety to create an interlock indigency fund for offenders who cannot afford the installation of ignition interlock equipment. Requires a \$50 alcohol and drug addiction treatment fee, in addition to all other fines or fees, for deposit into the interlock indigency fund.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$927,000
Increase State Expenditures - \$10,000 One-Time

Increase Local Revenue - \$298,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 1, 2008, we issued a fiscal memorandum for this bill as amended with the following estimated impact:

*Increase State Revenue – Net Impact -
\$700,000/One-Time/General Fund
\$809,700/Recurring/General Fund
\$789,600/Recurring/Interlock Indigency Fund*

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*Increase State Expenditures – \$45,500/ One-Time
\$789,600/Recurring Interlock Indigency Fund*

Increase Local Revenue - \$339,600

Based on new information, the fiscal impact for the bill as amended is estimated as follows:

(CORRECTED)

Increase State Revenue – Net Impact -

\$700,000/One-Time/General Fund

\$809,700/Recurring/General Fund

\$1,004,600/Recurring/Interlock Indigency Fund

Increase State Expenditures – \$45,500/ One-Time

\$1,004,600/Recurring/Interlock Indigency Fund

Exceeds \$1,660,400/Recurring/Alcohol and Drug Addiction Fund

Increase Local Revenue - \$350,900

Assumptions applied to amendment:

- Based on DUI statistics and information provided by the Department of Safety (DOS), it is estimated there were at least 28,200 DUI convictions in FY06-07.
- Twenty-five percent of these individuals (7,050) will not pay the \$50 alcohol and drug addiction treatment fee due to indigence.
- According to DOS, local governments will receive five percent of revenue generated from the alcohol and drug addiction treatment fee.
- The net increase of state revenue expected to be deposited into the interlock indigency fund is estimated to be \$1,004,600 ($\{[28,200 - 7,050] \times \$50 \times 95\% \} = \$1,004,625$) per year. The increase of local government revenue is estimated to be \$52,900 ($\{[28,200 - 7,050] \times \$50 \times 5\% \} = \$52,875$) per year.
- Based on DUI statistics and information provided by DOS, approximately 7,800 drivers who had prior DUI convictions were convicted of DUI again in FY06-07. It is assumed that approximately 7,800 individuals would be required to have ignition interlock devices installed on their vehicles each year. However, since some offenders will be required to have the device installed for periods up to 33 months, the number of offenders required to have ignition interlock devices on their vehicles could reasonably exceed 10,000 in any given year.

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- Approximately 25 percent (2,500) of offenders required to have ignition interlock devices installed will be declared indigent.
- One hundred percent of required interlock ignition devices for indigent individuals is leased and paid for first from monies in the interlock indigency fund; any remaining costs are estimated to be paid from the Alcohol and Drug Addiction Treatment (ADAT) fund.
- The cost of installation of ignition interlock equipment for indigent individuals is estimated to be \$79; the cost of monitoring and monthly leasing is estimated to be \$79 per month (or \$948 per year); the cost of removal of such equipment is estimated to be \$39.
- Given some offenders are required to have ignition interlock devices installed for periods up to 33 months, the total cost for ignition interlock devices installed on vehicles and operated by indigent individuals is estimated to exceed \$2,665,000 [2,500 individuals x (\$79 + \$948 + \$39) = \$2,665,000] per year. The first \$1,004,600 is estimated to be paid from the interlock indigency fund; an amount estimated to exceed \$1,660,400 will be paid from the ADAT fund each year.
- DOS indicates that there are approximately 14,000 DUI offenders who reinstate their licenses annually after the one-year reinstatement waiting period. DOS indicates that approximately 50 percent (7,000) will be able to reinstate within 120 days under this bill. As a result, there will be a one-time increase of state revenue from reinstatement fees shifting ahead one fiscal year. Such one-time increase is estimated to be \$700,000 (14,000 x 50% x \$100 reinstatement fee = \$700,000). According to DOS, this revenue is General Fund revenue.
- DOS indicates that in FY06-07 there were 3,500 restricted licenses issued for DUI offenders who had no prior DUI conviction in the past ten years. DOS estimates that 50 percent of these will no longer require a restricted license, but will request the 30-day suspension and the installation of the interlock device. As a result, fees derived from such restricted licenses are estimated to decrease by \$117,300 (3,500 x 50% x \$67 restricted license fee = \$117,250) per year. According to DOS, this revenue is General Fund revenue.
- An increase in state revenue (to the General Fund) of approximately \$927,000 due to increased sales and use tax collections on purchases and leasing of ignition interlock devices for non-indigent individuals.
- The net increase to recurring General Fund revenue is estimated to be \$809,700 (\$927,000 - \$117,300 = \$809,700) per year.
- DOS indicates that the Department will have to make modifications to 13 computer programs (batch history, online history, online reinstate, batch MVR, online MVR, compliance inquiry, TIES, compliance letter, aging, court certification, PDPS, reinstate program and driver's license program). The Department estimates each modification to cost approximately \$3,500. The total increase of one-time state expenditures

for computer and software modifications is estimated to be \$45,500 (13 systems x \$3,500 = \$45,500).

- An increase in local government revenue of approximately \$298,000 due to increased sales and use tax collections at an average local option tax rate of 2.25% on purchases and leasing of ignition interlock devices.
- The total increase to local government revenue is estimated to be \$350,900 (\$52,900 + \$298,000 = \$350,900) per year.
- There will not be a sufficient number of prosecutions for tampering with ignition interlock devices for state or local governments to experience any significant increase in revenue or expenses.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc