

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7979**  
**BILL NUMBER: SB 624**

**DATE PREPARED:** Jan 18, 1999  
**BILL AMENDED:**

**SUBJECT:** Motor vehicle theft prevention.

**FISCAL ANALYST:** James Sperlik  
**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Motor Vehicle Theft Prevention Fund. It requires that an assessment of \$1 be made when a motor vehicle is insured. The bill establishes a special fund called the Motor Vehicle Theft Prevention Fund into which the assessment is deposited. It requires the Treasurer of State to distribute the fund to the county sheriffs for deposit into the Motor Vehicle Theft Prevention Fund in the Sheriff's budget. The bill requires the sheriff to use the funds in the Motor Vehicle Theft Prevention Fund to set up a tactical unit to combat economic motor vehicle theft. It requires an insurance company to submit to an examination by the Insurance Commissioner to determine if the proper assessment has been made. The bill provides that a person who fails to make the assessment, deposit the assessment, or submit to an examination by the insurance commissioner to determine if the proper assessment has been made commits a Class A infraction.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The Motor Vehicle Theft Prevention Fund is established for the purposes of providing financial support to the State Police Department, local law enforcement agencies, prosecuting attorneys, judicial agencies, and neighborhood, community, and business organizations for programs designed to reduce the incidence of economic motor vehicle theft. The Motor Vehicle Theft Prevention Authority is established as a separate body corporate and politic to assess the scope of the problem of motor vehicle theft, to analyze various methods of combating motor vehicle theft, and to administer the Motor Vehicle Theft Prevention Fund.

**Explanation of State Revenues:** This bill establishes the Motor Vehicle Theft Prevention Fund into which is deposited \$1 for each insurance policy sold for a motor vehicle for each year the insurance will be in effect. The fee is assessed on insurers and is paid at the time of issuance or renewal of an insurance policy. Potential maximum revenue for the Fund is estimated to be about \$4.9 million per year. Money in the fund at the end of a fiscal year does not revert to the State General Fund.

The number of vehicles in Indiana for which liability insurance is required is estimated to be about 4.9 million. However, there are likely a substantial number of individuals who purchase vehicle insurance for a duration of less than one year. It is not clear from the bill how fees on policies sold for partial years will be handled for assessment purposes. The maximum amount of assessment revenue is estimated to be about \$4.9 million per year. Ultimately, the total annual revenue will depend upon rules and policies established by the Motor Vehicle Theft Prevention Authority.

*Penalty Provision:* The bill provides that a person who fails to make the assessment, deposit the assessment, or submit to an examination by the Insurance Commissioner commits a Class A infraction.

If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** State Police.

**Local Agencies Affected:** Local Law Enforcement Agencies; Prosecuting Attorneys, Judicial Agencies. Trial courts.

**Information Sources:** Jane Morrical, Bureau of Motor Vehicles, 232-2822.