

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7288

BILL NUMBER: SB 563

NOTE PREPARED: Jan 17, 2007

BILL AMENDED:

SUBJECT: Driver's Licenses.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill: (1) gradually raises the minimum age for the issuance of learner's permits and probationary operator's licenses in future years; (2) sets requirements for practice driving before a probationary license can be issued; (3) prohibits a driver with a probationary license from operating a motor vehicle between 9 p.m. and 5 a.m. or while using a cell phone; and (4) sets requirements for the age and number of passengers who may accompany a probationary driver.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* This bill increases the age at which individuals become eligible for an operator's license, learner's permit, or a motorcycle operator's license in future years. The increase in eligibility age would tend to shift license revenues forward by one month in FY 2009, one month in FY 2010, and an additional month each year through FY 2013. Learner's permit revenues would be shifted forward two months in FY 2008 and each of the years following through FY 2013. As a result, revenues would be reduced by an estimated \$45,900 in FY 2008, \$81,600 in FY 2009, and \$81,600 in FY 2010. The funds with reduced revenues will be the Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, Anti-terrorism Fund, Motor Vehicle Technology Fund, and the State License Branch Fund.

Background Information: The fees for a four-year operator's license and a four-year motorcycle operator's license are both \$14. The learner's permit fee is \$9. Annually, approximately 36,000 individuals, or about 3,000 monthly, obtain their operator's license when they are 16 years of age. Assuming the same number of learner's permits are affected and that 85% of these 16-year-olds would otherwise obtain their operator's license shortly after becoming 16 years and 30 days, the increase in eligibility age for operator's licenses and

learner's permits tend to shift these revenues forward resulting in a reduction in total revenue of \$45,900 in FY 2008 and \$81,600 in each year after through FY 2013.

The four-year motorcycle operator's license is also \$14, but the age distribution data for this license is insufficient to allow an estimate. The revenue from the motorcycle operator's license is distributed in the same manner as for the operator's license. The revenue from the learner's permit is distributed to same funds as the operator's license, but in differing amounts.

The distribution of the revenue loss to the various funds is provided in the following table.

Fund	Revenue Reduction		
	FY 2008	FY 2009	FY 2010
Total Reduction in Fees	\$45,900	\$81,600	\$81,600
Motor Vehicle Highway Account	\$2,550	\$12,750	\$12,750
Crossroads 2000	\$10,200	\$15,300	\$15,300
Anti-Terrorism	\$6,375	\$9,563	\$9,563
Motor Vehicle Technology Fund	\$2,550	\$3,825	\$3,825
State License Branch Fund	\$24,225	\$40,163	\$40,163

Fund	Uses
Motor Vehicle Highway Account	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the State Department of Revenue
BMV Technology Fund	Upgrade technology at the BMV
BMV Commission	Support the operation of the licenses branches throughout the state
Anti-Terrorism Fund	Support the Integrated Public Safety Commission
Crossroads 2000 Fund	Bonding for highway projects

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Transportation, State Police, and State Department of Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions.

Information Sources: BMV Driver's license data for CY 2004.

Fiscal Analyst: James Sperlik,317-232-9866.