


**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: FEB -6 2006

SUBJECT: Fiscal Impact Statement (Revised): "Vehicle Insurance Enforcement Act of 2005"

REFERENCE: Bill 16-056, Committee Print As Amended

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. No additional staff and resources will be required.

Background

The proposed legislation would require all drivers in the District of Columbia to possess, and present to law enforcement officials when required, proof of vehicle liability insurance. The proposed legislation requires insurance companies to provide insured drivers with sufficient documentation that can be presented as proof of insurance. In addition, law enforcement officials will be required to collect and report insurance information as they would vehicular operator's license information.

The Metropolitan Police Department would be required to submit an annual report to Council and the Department of Insurance and Securities Regulation by January 31st of each year on the effectiveness of enforcing compulsory motor vehicle insurance in the District of Columbia.. The first report would be due on January 31, 2007.

The proposed legislation also establishes a civil fine of up to \$500, or a license suspension for up to 30 days, or both, for failure to present the required proof of insurance. The proposed legislation also specifies when and how a demand for proof of insurance would be required.

The Honorable Linda W. Cropp

FIS (Revised): Bill Number 16-056, "Vehicle Insurance Enforcement Act of 2005"

Page 2 of 2

Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation.