

OFFICE OF FISCAL ANALYSIS

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sHB-7161

AN ACT CONCERNING THE SUSPENSION OF MOTOR VEHICLE OPERATORS' LICENSES FOR FAILURE TO PAY FINES OR FAILURE TO APPEAR FOR A SCHEDULED COURT APPEARANCE AND PAYMENT INSTALLMENT PLANS FOR MOTOR VEHICLE INFRACTIONS AND VIOLATIONS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Department of Motor Vehicles	TF - Revenue Loss	Approximately 237,500	Approximately 475,000
Department of Motor Vehicles	School Bus Seat Belt account (Non-lapsing GF) - Revenue Loss	Approximately 95,000	Approximately 190,000
State Revenues	Various - Potential Revenue Gain	Minimal	Minimal

Note: TF=Transportation Fund; Various=Various

Municipal Impact: None

Explanation

Section 1 prohibits the Department of Motor Vehicles (DMV) from suspending a person's driver's license solely for failure to pay fines or appear in court for a motor vehicle infraction or related charge. This prohibition does not apply to certain "moving violations" or to those with a third conviction within three years, as outlined in the bill.

This section is expected to result in annual revenue loss from foregone license restoration fees of approximately \$475,000 to the Special Transportation Fund and \$190,000 to the School Bus Seat Belt account within the General Fund (FY 26 impact is half given the January

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1, 2026 effective date).¹ This estimate is based on the number of DMV license restorations (and associated fee payments) in FY 24 for licenses that were suspended solely due to failure to pay fines or to appear, following a non-moving violation.

Section 2 requires the Centralized Infractions Bureau (CIB), within the Judicial Department, to develop payment plans for certain infractions and violations and allows CIB to collect certain fees associated with such payment plans. This results in a potential revenue gain to the state from fees and fines to the extent that changes in the bill lead to more compliance with payment.

The bill requires CIB to assess \$15 late fees for failure to make a timely payment on an installment plan for the first or second time. The bill also allows CIB to charge up to an additional \$15 for administrative fees related to the installment plan.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of installment payment plans and the actual fees assessed.

¹ Each \$175 license restoration fee is deposited to two places: \$125 to the Special Transportation Fund and \$50 to the School Bus Seat Belt Account.