

Department of Finance and Administration

Legislative Impact Statement

Bill: SB574

Amendment Number: S1

Bill Subtitle: TO RECOGNIZE A LIABILITY SHARING ORGANIZATION AS AN INSURER FOR MOTOR VEHICLE LIABILITY INSURANCE PURPOSES.

Basic Change :

Sponsor: Sen. B. Ballinger

Senate Amendment No. 1 --- SB574-S1 (engrossed 4/6/21) corrects a drafting error contained in the original bill that may have inadvertently removed the ability for political subdivisions, municipalities, and persons with 25 vehicles registered in the state to qualify as a self-insurer and obtain a certificate of self-insurance.

Original Bill --- SB574 amends § 27-19-107(a) regarding the type of organizations and persons that may qualify to obtain a certificate of self-insurance for purposes of complying with the motor vehicle liability insurance requirements in the state. Current law allows a religious denomination, a person with 25 vehicles registered in the state, or a political subdivision or municipality to obtain a certificate of self-insurance issued by the Office of Motor Vehicle.

Revenue Impact :

None.

Taxpayer Impact :

A taxpayer having more than 25 vehicles registered in their name or a religious organization having more than 25 members may request to qualify for self-insured status.

Resources Required :

None.

Time Required :

Adequate time has been provided for implementation.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

Senate Amendment No. 1 --- SB574-S1 (engrossed 4/6/21) corrects the drafting error noted below.

Original Bill --- SB574 appears to contain a drafting error. In expanding the definition of a "religious

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denomination" that is eligible to obtain a certificate of self-insurance, the bill appears to remove the ability for other individuals and entities who are not religious denominations to obtain a certificate of self-insurance.

Under SB574, only a religious denomination would qualify for a certificate of self-insurance from the Office of Motor Vehicles of the Department of Finance and Administration.