

March 25, 2010
Initiative 10-0006

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

REPEALS LAWS THAT REQUIRE EVERY DRIVER TO MAINTAIN AUTOMOBILE

LIABILITY INSURANCE. INITIATIVE STATUTE. Repeals laws that require drivers to maintain automobile liability insurance and to carry proof of that insurance. Maintains mandatory liability insurance requirements for drivers of commercial vehicles and drivers who have been convicted of certain vehicular crimes. Repeals laws requiring insurance companies to electronically report vehicle liability insurance information to DMV. Repeals laws providing for the imposition of fines and suspension of driving privileges for drivers who fail to provide proof of insurance at an accident. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Annual state savings, probably about \$25 million, due to a reduction in costs to enforce financial responsibility requirements. A reduction in state and local revenues from fines and penalties related to violations of the financial responsibility law, probably in the couple of hundreds of millions of dollars. Unknown reduction in state premium tax revenues, offset to an unknown extent by increased sales tax revenues. (10-0006.)**