



Virginia Department of Planning and Budget **Economic Impact Analysis**

24 VAC 35-90 Intelligent Speed Assistance Program Regulation Commission on the Virginia Alcohol Safety Action Program Town Hall Action/Stage: 7068 / 11306 Proposed September 28, 2026

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 17 (2026). The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 652 of the 2025 *Acts of Assembly*,² the Commission on the Virginia Alcohol Safety Action Program (VASAP) proposes to establish regulations for the Intelligent Speed Assistance Program (ISAP).

Background

Chapter 652 requires the Commission to adopt regulations governing the ISAP. According to the Department of Motor Vehicles (DMV),³ the program allows certain drivers to maintain restricted driving privileges by operating a motor vehicle equipped with speed-limiting technology; this is an alternative to full driver's license suspension in qualifying cases. An intelligent speed assistance system is defined as a system that limits the speed at which a motor vehicle is capable of traveling, which is based on the applicable speed limit where such motor vehicle is being operated. In other words, the system is an in-vehicle technology that uses GPS-based data to determine the posted speed limit and automatically prevents the vehicle from exceeding that limit.

¹ See Code § 2.2-4007.04 (A).

² <https://lis.virginia.gov/bill-details/20251/HB2096/text/CHAP0652>

³ <https://www.dmv.virginia.gov/licenses-ids/license/reinstate/intelligent-speed-assistance-program-isap>

As of July 1, 2026, the program is operational, and eligible drivers may be required to install the system device in all vehicles they own or co-own as a condition of maintaining restricted driving privileges. The qualifying cases are decided by a court or DMV for certain offenses, including reckless driving, racing, or excessive demerit point violations. More specifically, enrollment in the program may be required in the following circumstances:

- Convictions under Va. Code § 46.2-861, Reckless Driving – Too Fast for Conditions (License suspension: 60 days to 6 months or ISAP enrollment, as ordered by the court),
- Convictions under Va. Code § 46.2-862, Reckless Driving – Exceeding Speed Limit (License suspension: 60 days to 6 months or ISAP enrollment, as ordered by the court),
- Convictions under Va. Code § 46.2-865, Racing (License suspension: 6 months to 2 years, or up to 5 years after four convictions; court may order ISAP enrollment instead of suspension where permitted by law),
- In lieu of a 90-day driver's license suspension resulting from a driver improvement action due to excessive demerit points.

As mandated by the legislation, in this action the Commission proposes regulations to establish standards governing intelligent speed assistance device approval, service provider certification, offender participation, installation and maintenance procedures, monitoring and reporting requirements, program oversight, and fees. The proposed regulations further establish operational, technical, and administrative requirements necessary to ensure reliable service delivery, accountability, offender monitoring, and program integrity. It is notable that the proposed rules for ISAP closely mirror the rules for the Ignition Interlock Program also administered by VASAP.

Estimated Benefits and Costs

At the outset, it is useful to highlight that the participation of clients, manufacturers, and service providers of the speed assistance device is voluntary, in that clients may choose not to participate in the program and manufacturers who also operate service centers may choose not to seek certification from VASAP. The voluntary nature of the program is important because the fees the clients must pay, and the costs manufacturers and service providers would incur, must be worth it for the affected parties to take part in the program. The fees to cover the costs of providers and VASAP are provided in the appendix for clients and service providers.

In order to demonstrate the overall impact, an example based on certain assumptions is provided below:

Assumptions: use of the proposed fee schedule in the appendix; 1,000 device installations per year, which corresponds to 31 percent of the 3,200 reckless driving convictions statewide in 2025 that would be eligible for this program according to VASAP staff; a 6-month ISAP requirement length; and assuming full compliance with the proposed rules such that no fees for non-compliance are assessed such as fees for tampering, resets, etc., the overall impact on clients, providers, and VASAP are discussed below.⁴

Example: If found eligible for participation in ISAP and if a client chooses, he or she would be required to pay \$100 to the service provider for installation of the intelligent speed assistance device and \$130 monthly maintenance fee (including a \$10 administrative fee) for the VASAP. Service providers would collect \$100,000 for installations (\$100 fee x 1,000 installations) and \$780,000 for maintenance fees (\$130 fee x 6 monthly maintenance x 1,000 installations). Of the \$780,000 collected for maintenance, providers would forward \$60,000 to cover VASAP's administrative costs (\$10 per maintenance appointment x 6 monthly maintenance x 1,000 installations).

Impacts on the program clients

Under the same assumptions, the program clients would have to pay a total of \$880,000 to the providers (\$100,000 + 780,000) as the example demonstrates. Additionally, if clients fail to comply with the rules, they may be subject to additional fees such as recall and override fees. Thus, the regulation would introduce costs to program participants. However, participation in the program is voluntary as an alternative to suspension of the driver's license. By choosing to participate in the program, a client reveals that the benefits to him or her are greater than the fees he or she must pay. These benefits may include being able to commute to work and maintaining employment, being able to take care of errands such as grocery shopping and going to medical appointments, driving for leisurely activities, etc.

Impacts on providers

⁴ According to VASAP, since July 2026 there have been approximately 100 referrals and installations. However, VASAP believes it may take up to three years for the program to reach its normal capacity.

Similarly, the same example demonstrates that service providers would receive \$820,000 in revenues (\$100,000 for installations + 780,000 for monthly maintenance - \$60,000 VASAP administrative fee) under the same assumptions. According to VASAP staff, there are two approved manufacturers who also provide ignition interlock service operations in Virginia. On the other hand, providers would have to pay for their employees, rent for facilities, the devices, and other operating costs from these revenues. To the extent their costs for payroll, rent, and other operating costs overlap between the two programs, the marginal cost of ISAP may be lower compared to a provider that does not participate in the Ignition Interlock Program. In addition to operating costs, providers would have to pay the proposed fees for annual contract review (\$250), facility review (\$75), technician certifications (\$250), and device certifications (\$1,000). As in the case of clients, we can reliably infer that benefits to a provider must be greater than the program participation costs if the provider is seeking certification on its own accord.

Impacts on VASAP

Continuing with the same example as above, VASAP would collect \$10 per month for monitoring; this would be collected from the clients by the provider, and would be sent to VASAP. For 1,000 installations and 6-month program participation, VASAP would receive \$60,000 per year. According to VASAP staff, these monies would be used to cover the costs of approved indigent participant fees. In addition, as the referrals increase over time VASAP may need to increase staffing levels, which would require use of these funds. Moreover, there has been an increased usage of office supplies via correspondence with the court, participants, and attorneys as well as training activities. Finally, VASAP has experienced increase in travel costs associated with training judges in certain areas which involves an increase in vehicle, lodging, and fuel costs.

Impacts on broader economy

As discussed above, allowing the program clients to maintain their driving privileges is expected to benefit them in terms of their ability to maintain employment, to take care of errands such as grocery shopping and going to medical appointments, to drive for leisurely activities, etc. When program clients are able to continue their lives without disruption in their activities there would likely to be indirect benefits to their employers as program clients would be able to continue performing their jobs. Similarly, the businesses they patronize, such as grocery stores or

medical providers, would not be negatively affected as the program clients would be able to continue their daily lives as usual. Additionally, VASAP staff notes that through continued employment, participants would stay active taxpayers to the state and the locality where they reside.

Businesses and Other Entities Affected

There have been approximately 100 referrals to the proposed ISAP program. However, this does not appear to fully reflect the potential of the program as it became effective as of July 1, 2026. Although no accurate estimate is available, 1,000 installations per year is probably more accurate and assumed in above discussion. Also, as of now, there are two approved manufacturers who are also the service providers in the Ignition Interlock Program. No affected entity appears to be disproportionately affected.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.⁵ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁶ As noted above, the participation in the ISAP program is voluntary for the clients and providers and thus no adverse impacts are indicated even though participants would be subject to certain costs on their own choosing. In addition, the program stems from a legislative mandate, and although the regulation specifies the parameters of the program, it appears it does not account for the main economic impacts discussed above. Thus, no adverse impact is indicated.

Small Businesses⁷ Affected:⁸

The proposed amendments do not appear to affect small businesses as the two approved providers are national companies that do not meet the definition of a small business.

⁵ See Code § 2.2-4007.04 (D).

⁶ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁷ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁸ See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

Localities⁹ Affected¹⁰

The proposal does not introduce costs for local governments, nor does it disproportionality affect any locality.

Projected Impact on Employment

The ISAP program is a result of a legislative mandate. While it is likely that it would enable individuals who committed a reckless driving offence to continue to drive and maintain their jobs and indirectly help businesses that rely on their access to their services such as grocery stores, medical facilities, leisure businesses, the legislation rather than the proposed regulation appears to account for such impacts.

Effects on the Use and Value of Private Property

No direct effects on the use and value of private property nor on real estate development costs are expected.

⁹ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

¹⁰ Code § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Appendix: Fees

Description	Clients	Service Providers
Intelligent speed assistance device installation	\$100	
Transfer an intelligent speed assistance device from one vehicle to another	\$75	
Monthly intelligent speed assistance device leasing and maintenance, inclusive of the \$10 monthly administrative fee to be paid to the commission, effective July 1, 2027, this fee will increase to \$140 per month due to camera installation requirements in 24VAC35-90-90 (P)	\$130 plus applicable taxes	
Per month for optional insurance to cover theft or accidental damage to the intelligent speed assistance device and its components	\$8	
Fee for the actual replacement cost of the intelligent speed assistance device and its components when theft or accidental damage occurs and the offender has not purchased the optional insurance	An amount of 20% over the actual replacement cost	
Milage rate for service calls	\$50 plus Virginia's mileage rate in effect not to exceed 100 miles	
Missed appointments	\$35	

Returned checks	An amount permitted by the Code of Virginia	
Repairs and reinstallation of the intelligent speed assistance device	\$50 per hour, not to exceed four total hours	
Recall fee	\$50	
Lock-out override fee	\$50	
Program monitoring paid to VASAP	\$50 per month	
Noncompliance fee when court attendance by a local ASAP is required	\$50	
Reinstatement fee when an offender is re-referred to ISAP	\$25	
Annual contract review fee		\$250
Annual review fee for intelligent speed assistance service facility		\$75
Retest for technician certification exam		\$250
Monthly intelligent speed assistance administrative fee for each offender		\$10
Per each new intelligent speed assistance device certification application		\$1,000