

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number: HB 670

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Wardrup

3. Committee: Transportation

4. Title: Vehicle license fees, etc., local; DMV to develop & implement standardized procedures & fees.

5. Summary/Purpose: The substitute for HB 670 requires the Department of Motor Vehicles to develop and implement standardized procedures and fees whereby, upon the written request of the governing body of any county, city or town, the agency will collect local motor vehicle, trailer and semitrailer license fees, or portions thereof, provided the portions are for the identical period as the state license plate, levied by such county, city or town.

6. Fiscal impact estimates are tentative.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06	\$148,200	-	NGF
2006-07	-	-	-

7. Budget amendment necessary: No.

8. Fiscal implications: The substitute for HB 670 will require the Department of Motor Vehicles (DMV) to make modifications to its computer systems and processes and to develop and implement standardized procedures and fees in connection with DMV's local vehicle registration (LVR) program. Currently, the procedures and fees associated with the LVR program are established by contractual agreement, and the City of Virginia Beach is the only participating locality.

It is estimated that the necessary modifications to DMV's computer system will require 3,900 hours of programming time at a cost of \$148,200. This would be a one-time cost.

The bill requires DMV to charge localities a transaction fee sufficient in amount to defray the cost of handling LVR fees and further provides that monies so received be used to defray the expenses incurred by DMV in connection with handling LVR fees. Since the cost-per-transaction is dependent on variables such as the number of localities that elect to participate in the LVR program and the number of vehicles registered in the participating localities, the amount of fee revenue cannot be quantified at the present time.

The agency will be required to conduct a cost analysis in order to determine the cost associated with each transaction. Based on the results of this analysis, standardized fees to be charged per transaction to the participating localities will be established to ensure that DMV recovers the expenses it incurs. To enable the agency to recoup the cost from participating localities, the one-time cost associated with computer system modifications (\$148,200) will be incorporated into the transaction fee rate schedule.

- 9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, the City of Virginia Beach, and any other locality that decides to participate in the local vehicle registration program.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/13/06/jlv

Document: G:\06-08\Fis\Dmv\Hb670h1.Doc Janet Vogelgesang

cc: Secretary of Transportation