

## Department of Planning and Budget 2009 Fiscal Impact Statement

**1. Bill Number:** HB2233

House of Origin	<u>X</u>	Introduced	<u>  </u>	Substitute	<u>  </u>	Engrossed
Second House	<u>  </u>	In Committee	<u>  </u>	Substitute	<u>  </u>	Enrolled

**2. Patron:** Marsden

**3. Committee:** Transportation

**4. Title:** Electronic filings; Department of Motor Vehicles

**5. Summary:** This bill provides that the Department of Motor Vehicles (DMV) may require certain filings or submissions be made electronically, including any required monthly updates from insurance companies and requests for refunds of certain fuel.

**6. Fiscal impact estimates:** Indeterminate. See Item #8 below.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** Although the total cost savings to DMV and entities engaged in business with DMV for future transactions cannot be determined, the implementation of electronic filing requirements and the provision of certificates by electronic means would reduce paperwork, allow for faster processing, promote efficiency, and reduce expenditures for both the agency and these entities. It is anticipated that these expenditure reductions will increase as more types of filings are required to be done electronically.

For example, in calendar year 2008, DMV processed 30,861 motor carrier insurance filings. The monthly average was 2,572 filings with an average of 84 percent being filed using the agency's extranet application. It is estimated that, in this instance, the electronic filing process has eliminated the need for 1.5 employees, equating to an annual savings of \$100,208 in salary and fringe benefit costs.

In addition, the DMV Fuels Tax Program has already accrued cost savings by moving tax reporting and processing into an electronic environment. The mandatory electronic filing of monthly tax returns, in conjunction with electronic processing of the returns, has resulted in an annual savings of approximately \$225,000 in data entry costs and a staff reduction of approximately four positions.

In FY 2008, DMV processed 671,781 financial responsibility certificate filings. The average number of filings per month was 55,982 filings, with an average of 48 percent being filed using the extranet application. It is estimated that the electronic filing process has resulted in a savings of 6.5 positions. This equates to annual savings of \$243,269 in salary and fringe benefit costs.

**9. Specific agency or political subdivisions affected:** Department of Motor Vehicles.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 1/22/09/jlv

**Document:** G:\08-10\09 FIS\HB2233.Doc Janet Vogelgesang

cc: Secretary of Transportation