

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB541

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Poindexter

**3. Committee:** Transportation

**4. Title:** Department of Motor Vehicles.

**5. Summary:** The bill makes numerous comprehensive changes to enhance Department of Motor Vehicles' (DMV) customer service and employee and highway safety, such as allowing DMV to offer customer service transactions on behalf of other agencies, collect the associated fees for those transactions, and collect a processing fee to offset agency costs of eliminating the \$2 fee for duplicate registration cards to encourage the use of Internet transactions. It also increases the fee for temporary license plates to \$3 per set and temporary transport plates to \$1.50 per plate in order to offset the costs of transitioning to a new weather- and shred-resistant material for those plates; allows for the Commissioner, at the direction of the Governor, to extend the validity of driver's licenses and ID cards for up to 90 days in the event of a disaster or other situation beyond DMV's control that prevents the renewal of those credentials; changes the requirements for the behind-the-wheel driving test conducted by DMV to improve employee and highway safety; and creates the option of a one-month vehicle registration extension for customers who are unable to renew their vehicles because of taxes owed to a locality. The bill also makes technical amendments. This bill also replaces references to "honorable discharge" throughout the Code with "discharge or released under conditions other than dishonorable."

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Preliminary. See #8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	\$117,500	-	NGF

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2013	\$368,000	NGF
2014	\$368,000	NGF
2015	\$368,000	NGF
2016	\$368,000	NGF
2017	\$368,000	NGF
2018	\$368,000	NGF

**8. Fiscal Implications:** DMV estimates a one-time cost of \$117,500 to update its automated systems in accordance with the provisions of this bill. The agency will absorb this cost within existing resources. DMV will realize a small revenue increase of \$368,000 per year; \$300,000 due to the one-month registration extension and \$68,000 from the temporary tag fee increase. The agency will avoid costs through the elimination of the \$2 duplicate registration fee. These savings are dependent on an increase in Internet transactions as a result of the change.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** The Department of Motor Vehicles intends to apply the revenue increase to providing support for DMV Select locations, helping the agency to continue providing quality service through those locations.

This bill is a companion to SB337.

**Date:** 1/19/12

**Document:** Janet Vogelgesang G:\12-14\FIS\HB541.doc

c: Secretary of Transportation