

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1085

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

2. Patron: Wexton

3. Committee: Transportation

4. Title: Department of Motor Vehicles; expiration and renewal of driver credentials.

5. Summary: This bill allows the Department of Motor Vehicles (DMV) to digitally verify the authenticity and validity of driver's licenses, learner's permits, and special identification cards for nongovernmental entities. The bill allows DMV to issue transaction receipts for expired vehicle registration renewals that will serve as evidence that the holder has complied with DMV payment requirements in order to allow those with expired registrations to renew such registration online. The bill allows DMV to extend the validity period for driver's licenses for persons absent from the Commonwealth during the expiration period of such licenses for good cause shown and payment of a fee.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: This bill:

- A. Allows the Department of Motor Vehicles (DMV) upon entering a written agreement with the American Association of Motor Vehicle Administrators (AAMVA), motor vehicle dealers, or other organizations approved by the Commissioner to digitally verify the validity and authenticity of driver's licenses, learner's permits, and special identification cards. DMV is considering entering into a use agreement with AAMVA to participate in a driver license data verification (DLDV) service that allows commercial partners and government agencies that are presented with a license or ID card to verify in real time that the data on the card matches the data held by the jurisdiction that issued the document. There are no fees for DMV to participate in the DLDV service. Alternatively, DLDV offers a revenue opportunity for participating jurisdictions. Participating jurisdictions earn an equal share of AAMVA's revenue billed and collected from DLDV requests submitted to that jurisdiction for verification. Each credential verified is going to generate a fee which will be paid by the business requesting the verification. DMV fully expects the revenue to cover the costs of implementing and operating the program. DMV will receive revenue for each credential digitally verified. The number of credentials processed will depend on the volume of participation by partner entities.

Motor vehicle dealers or other businesses seeking to enter an agreement with DMV to digitally verify the authenticity and validity of credentials may also generate revenue since the statute permits the agency to charge a fee for information as specified in VA Code § 46.2-

214. Section 46.2-214 provides that “The Commissioner may make a reasonable charge for furnishing information under this title...” Any revenue generated would depend on the number of motor vehicle dealers or other businesses entering an agreement with DMV and the number of verifications performed. DMV currently has automated systems in place pursuant to 46.2-208 B.8 to provide certain information to motor vehicle rental or leasing companies. This existing system would be modified to implement this legislation. The revenue is expected to cover the costs of implementing and operating the program.

- B. Provides increased customer convenience by allowing transaction receipts for expired vehicle registration renewals completed on-line to serve as evidence that the holder has complied with DMV requirements. Currently, only those transaction receipts for transactions completed prior to the document's expiration date may serve as evidence that the holder has complied with Department requirements. By increasing on-line transactions, customer traffic and overall wait times in Customer Service Centers may be decreased. It has been determined that implementing this legislation will not result in an expenditure increase for the agency. It is expected that this legislation will reduce the number of vehicle registration renewals processed in Customer Service Centers. Data indicates that for FY 2016 the number of expired vehicle registration renewals processed in Customer Service Centers were as follows:

One month following expiration – 204,359

Two months following expiration – 249,754

Three months following expiration – 270,816

- C. Allows the DMV Commissioner for good cause shown to extend the validity period of an expiring driver's license that is issued by the Department if certain conditions are met. The purpose of the legislation is to assist those customers that may be faced with unique and sometimes difficult circumstances that prevent them from renewing their driver's licenses prior to the expiration date to have the opportunity to avoid expiration of the license. Customers will be charged a \$10.00 fee to cover the costs of processing requests and mailing documentation to customers. It is expected that the number of driver's license extension requests to be low and will not require additional staffing. The fee charged for extensions will cover the costs of processing requests and mailing documentation to customers.

This legislation may require some programming changes to DMV's automated systems. However, DMV has estimated the hours that may be needed for the information technology staff to implement the legislation. This can be accomplished during the normal work schedules for DMV employees.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/2017

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cc: Secretary of Transportation