

Department of Planning and Budget 2024 Fiscal Impact Statement

1. Bill Number: HB 1224

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

2. Patron: Runion

3. Committee: Appropriations

4. Title: Department of Motor Vehicles; fees.

5. Summary: Reduces the fee for the issuance of an original, duplicate, reissue, or renewal special identification card without a photograph; authorizes the Department of Motor Vehicles to negotiate with the Department of Health to retain a portion of the \$12 fee for each copy of a vital record that the Department of Motor Vehicles issues in lieu of collecting the \$2 processing fee required by current law; and removes fees specific to transportation network companies for certificates issued by the Department of Motor Vehicles and provides that such companies are subject to the same fees that apply to all applicants for original licenses, permits, or certificates and transfer of a license or certificate.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see Item 8.

8. Fiscal Implications: The Department of Motor Vehicles (DMV) anticipates that the changes to the fee for photoless ID cards would result in a revenue loss of approximately \$2,500 annually. Reducing the fee from \$10 per year to \$2 per year would result in a net loss of \$8 per credential for each year it is valid. DMV issued 20 photoless ID cards in 2021 and 39 in 2022. If these numbers are indicative of future demand for photoless ID cards, assuming every photoless ID card is issued for the eight-year maximum period, the annual revenue loss is \$2,496.

DMV estimates that the change to fees specific to transportation network companies (TNC) for certificates issued by DMV would result in a revenue loss of \$556,800 annually. Currently, there are two ways a TNC can pay its annual fee: 1) a flat fee of \$60,000 per year, or 2) \$20 per driver for an annual driver history record check. Currently, two large TNCs pay the \$60,000 annual fee (\$120,000 total revenue), and eight smaller TNCs, with a total of 21,840 drivers, pay the annual fee of \$20 per driver (\$436,800 total revenue).

The bill authorizes the Virginia Department of Health (VDH) and DMV to enter into an agreement for DMV to retain a portion of the vital record fee in lieu of collecting a processing fee, but it does not mandate any fee changes that would impact either agency.

Any actual fiscal impact to DMV or VDH resulting from future negotiations is indeterminate at this time.

The costs of programmatic changes necessary to effectuate the changes mandated by this bill can be absorbed by DMV.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This fiscal impact statement was revised to include additional detail.