

REVISED

STATEMENT OF PURPOSE

RS28498 / S1102

This proposed legislation provides updates to statute designed to allow the business community and public to conduct their interactions with ITD completely electronically. This legislation will create the authorization for the program which will allow all providers that meet the qualification requirements set by ITD to participate. Each State that has adopted an Electronic Vehicle Credential Program has reduced costs, paperwork and pressure on DMVs while dramatically improving customer service for the business community and public. Electronic Vehicle Credential (EVC) - Electronic Vehicle Credential program authorizes ITD to allow providers to electronically file vehicle titling and registration transactions with ITD. This legislation will create the authorization for the program which will allow all providers that meet the qualification requirements set by ITD to participate. This will create a new market for electronic government services.

FISCAL NOTE

This bill will have no impact to the General Fund. Any costs incurred by ITD to administer the program will be covered by fees set by the department on transactions. ITD's estimate fiscal impact will be a one-time cost for approximately \$200,000 in development. The department does not plan to request any additional funds to cover this, the department was already planning a multi-year effort to improve service and offer dealers an online portal and this bill would replace significant parts of that plan. Ongoing costs will be covered by administrative fees set by the department, with no impact to the general fund. Loss revenue to County Assessors could be up to \$1,555,000 statewide annually. This assumes dealers 100 sales annually opt in, and 90% of their customers use the option. It would reduce demand on local DMVs by 211,000 transactions a year. The only two fees it reduces to counties is the administration fee for titles and for registration. Title fee is \$3 a transaction set by the state. This could reduce assessor revenue statewide by \$700,000. Registration Admin Fees are between \$2.5 and \$9 and are set by the County Commission. These costs are only supposed to cover administration of the transaction. This would reduce revenue by \$855,000 but should also reduce their costs by the same amount.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).