

BDR 43-662 SB 423

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 7, 2023

Agency Submitting: Department of Motor Vehicles, Research and Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Contract Programmer Hours (Budget Account 4715 CAT 43) (Expense)		\$96,466		
Revenue increase for motorcycle safety fee from \$6 to \$18 (Revenue)		\$439,194	\$889,812	\$1,779,624
New Revenue from \$45 motorcycle safety fee for Class M license (Revenue)		\$545,625	\$1,080,990	\$2,161,980
Total	0	\$888,353	\$1,970,802	\$3,941,604

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 43-662 relates to the motorcycle safety fee and would require DMV to collect additional fees during the registration and driver's license process. Registration fees would increase from \$6 to \$18, per section 1, and an additional fee of \$45 would be collected during the licensing process, per section 2. Sections 1,2,4,5 and 6 become effective upon passage and approval for preparatory and administrative tasks, and on January 1, 2024 for all other purposes; Section 3 becomes effective upon passage and approval for preparatory and administrative tasks, and January 1, 2025 for all other purposes.

The DMV has reviewed this bill and determined there will be an impact as written. A new fee structure must be programmed into the DMV system. The fees will be collected by DMV and then distributed to the State General Fund for credit to the Account for the Program for the Education of Motorcycle Riders. Programming must be completed to update renewal notices; at the time of license issuance DMV will confirm if testing is needed and/or has been completed. Policies and procedures will need to be updated to reflect the changes made and training conducted to educate technicians of the new fee structures.

DMV is currently engaged in its "transformation effort" (DTE), to revise business processes, reorganize, and move systems to a cloud solution, improving DMV services and allowing online transactions. DTE project delivery will continue into 2026 and involves over 100 staff and contractors. The proposed effective date will require programming, testing and implementation in the legacy system and DTE, creating more risk and work. Due to DTE, DMV is unable to absorb work for changes. Work completed will be done by new contract programmers. Completion of this work will delay implementation of DTE by 20 weeks.

Name Angela Smith-Lamb

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, April 07, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

BDR /Bill/ Amendment #**43-662**

Agency Name: **Department of Motor Vehicles**

Division Name: **RPM**

Date: **3/28/2023**

Basis for Calculation:

(1) 880 estimated programming hours performed by contract programmers, at a rate of \$109.62 per hour equals \$96,465.60 cost to program the CARRS application to add new fee structure for motorcycle safety fees.

(2) Current motorcycle safety fee is \$6; as required by bill this will increase to \$18. Projected registrations are based on current motorcycle registration counts grown by the Demographer's Growth Rate. Fee projections are based on projected registrations multiplied by the amount of increase ($\$18 - \$6 = \$12$).

(3) Current persons seeking a Class M license pay a \$5 fee; as required by the bill riders will also be required to pay an additional \$45 fee for motorcycle safety. Fee projections are based on the expected number of Class M license renewals each year multiplied by the \$45 fee.

Category	FY 22/23 (Based on FY22 Actuals)	FY 23/24	FY 24/25	Future Biennia (FY26 + FY27)
Contract Programmer Cost	\$ -	\$ (96,465.60)	\$ -	\$ -
Revenue increase for motorcycle safety fee from \$6 to \$18	\$ -	\$ 439,194.00	\$ 889,812.00	\$1,779,624
New Revenue from \$45 motorcycle safety fee for Class M license	\$ -	\$ 545,625.00	\$ 1,080,990.00	\$2,161,980
		\$ -	\$ -	\$ -
Totals	\$ -	\$ 888,353	\$ 1,970,802	\$ 3,941,604

Projected Motorcycle Registrations (1/1/2024 Start Date)

Registrations Grown by Demographer's Growth Rate:			1.30%
FY22 Actual	FY23 Projected	FY24 Projected	FY25 Projected
71,333	72,260	73,199	74,151

Motorcycle Safety Fee:

Current Fee:	\$	6.00
New Fee:	\$	18.00
Fee Growth:	\$	12.00

Projected Registration Motorcycle Safety Fee Growth			
FY22	FY23	FY24	FY25
\$ -	\$ -	\$ 439,194.00	\$ 889,812.00

Projected Class M License \$45 Safety Fee (1/1/2024 Start Date)

Class M License Renewals	
FY24	FY25
24,250	24,022

Class M License Safety Fee Projections	
FY24	FY25
\$545,625	\$1,080,990