

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2941 E S HB	<b>Title:</b> Vehicle registration	<b>Agency:</b> 240-Department of Licensing
---------------------------------	------------------------------------	--

## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2004	FY 2005	2003-05	2005-07	2007-09
Motor Vehicle Account-Private/Local 108-7	185,744	386,005	571,749	98,826	99,862
<b>Total \$</b>	185,744	386,005	571,749	98,826	99,862

### Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.0	0.5	0.3	0.5	0.5
<b>Fund</b>					
Motor Vehicle Fund-Local-Private/Local NEW-7	185,744	386,005	571,749	98,826	99,862
<b>Total \$</b>	185,744	386,005	571,749	98,826	99,862

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Kimberly Johnson	Phone: (360) 786-7486	Date: 02/20/2004
Agency Preparation: Sam Knutson	Phone: 360-902-3644	Date: 02/20/2004
Agency Approval: Larry Dzieza	Phone: 360-902-3633	Date: 02/23/2004
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/23/2004

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Please Refer To Attachment

### II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

see attached

### II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Please Refer To Attachment

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.0	0.50	0.3	0.5	0.5
A-Salaries & Wages	1,976	16,946	18,922	34,565	35,238
B-Employee Benefits	489	4,591	5,080	9,315	9,448
C-Personal Serv Contr	1.100		1,100		
E-Goods and Services	174,188	363,712	537,900	50,851	51,796
G-Travel	6,000		6,000		
J-Capital Outlays	1,991	756	2,747	4,095	3,380
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
<b>Total:</b>	\$185,744	\$386,005	\$571,749	\$98,826	\$99,862

### III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2004	FY 2005	2003-05	2005-07	2007-09
Customer Service Spec 2	32,544	0.0	0.5	0.3	0.5	0.5
<b>Total FTE's</b>		0.0	0.5	0.3	0.5	0.5

### III. C - Expenditures By Program (optional)

Program	FY 2004	FY 2005	2003-05	2005-07	2007-09
Mgmt & Support Services (100)	11,609	24,125	35,734	6,177	6,241
Information Services (200)	8,292	17,232	25,524	4,412	4,458
Vehicle Services (300)	165,843	344,648	510,491	88,237	89,163
Driver Services (600)					
Business and Professions (700)					
<b>Total \$</b>	185,744	386,005	571,749	98,826	99,862

## Part IV: Capital Budget Impact

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

## Part II: Explanation

This bill requires vehicle owners to submit their residence address to the Department of Licensing at the time of original vehicle registration. The bill provides for exceptions to this law for vehicle owners who are members of the military with an overseas mailing address, a participant in the address confidentiality program administered by the Secretary of State, or does not have United States postal service mail delivery service available to their resident address. Vehicle owners are required to pay all special motor vehicle excise taxes with respect to their resident address. The Department of Licensing is authorized to withhold registration of a vehicle if the department becomes aware that there is an error in an applicant's resident address, such as failure to certify the applicability of one of the exceptions as noted above. Certification of the applicant's resident address is made under penalty of perjury.

**NOTE:** This bill differs from the earlier version (SHB 2941) by the addition of Section 3 (1) (b) and Section 6. Section 3 (1) (b) explicitly directs that vehicles registered to businesses must be registered with the name and principal place (street address) of the business. Section 6 directs that all reasonable costs incurred by the Department of Licensing associated with the administration of address certification will be paid by the Monorail Transportation authorities.

## II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 – Defines “resident address” to mean the street address of the primary residence of a person within the state of Washington.

Section 2 (3) – The initial registration of a vehicle previously licensed in another jurisdiction is considered a re-licensing of the vehicle.

Section 3 (1) – Application for an original vehicle license, including all information required by the department for registration, must be made under penalty of perjury.

Section 3 (1) (a) – Residence address is required for registration.

Section 3 (1) (b) – The name and principal place of business in Washington from which the business of the registered owner is directed, managed, or conducted if the vehicle is owned by a business or sole proprietorship is required for registration.

Section 3 (2) – An applicant may provide an address other than a residence address as part of the application or renewal only if the applicant: (a) Is a member of the military with an overseas mailing address; (b) is a participant in the address confidentiality program administered by the Secretary of State; or (c) does not have United States postal service mail delivery service available to the applicant's residence address. In order to be exempt from the requirement to provide a residence address, the applicant must certify under penalty of perjury that at least one of these exceptions apply to their registration application.

Section 4 (2) – Application for the renewal of a vehicle license must include all special motor vehicle excise taxes with respect to any taxing district of which the applicant is a resident. The applicant must certify under penalty of perjury that their application is correct.

Section 4 (5) – If the department becomes aware that there is or may be an error in a residence address, or an applicant has failed to provide a residence address without certifying the applicability of the exceptions listed in Section 3 (2), the department may withhold registration until the applicant can provide information satisfactory to the department either to reconcile the error or prove there was no error.

Section 5 (1) (a) – Forms must include a certification, under penalty of perjury, that statements made in it by an applicant are true to the best of the person's knowledge.

Section 6 – All reasonable costs incurred by the Department of Licensing associated with the administration of address certification for authorities receiving funds collected under Chapter 35.95A RCW (Monorail Transportation) will be paid by those authorities.

This bill does not contain an effective date and is assumed to be effective 90 days after the end of the 2004 Legislative Session.

<u>Workload Indicator</u>	<u>FY 04</u>	<u>FY 05</u>	<u>03-05 Total</u>	<u>05-07 Total</u>	<u>07-09 Total</u>
Special Mailers	103,399	1,137,542	1,240,942	145,153	150,029

## II. B – Cash Receipt Impact

There is no state revenue impact. The Department of Licensing assumes that all implementation and on-going costs for this bill will be recovered through reimbursable contracts with entities operating under RCW 35.95A. Thus, the department will require an appropriation of Motor Vehicle Fund – Local authority.

<u>Cash Receipts</u>	<u>FY 04</u>	<u>FY 05</u>	<u>03-05 Total</u>	<u>05-07 Total</u>	<u>07-09 Total</u>
GF- State	-	-	-	-	-
GF- Fed	-	-	-	-	-
Motor Vehicle Fund Local	185,744	386,005	571,749	98,826	99,862
Total Revenue	185,744	386,005	571,749	98,826	99,862

## II. C – Expenditures

Contract programmers (7.09 staff months) will be required to modify all relevant DOL systems to require each vehicle record to have a resident address and create a flag in the system to record the certification of fact. Exceptions will be made for certain exempt situations (non-resident military, witness protection program, etc.). Changes will be made to DOL Internet applications to allow online users to input a resident address and certification if the system determined it was necessary. Additional task will be to create the ability to charge special motor vehicle taxes on first time registrations of vehicles coming from out-of-state.

The department will be required to create a special first-class mailer that will be mailed to all current vehicle owners in the department database that display an address that is not a street address. The most current data shows that there are approximately 1,140,000 records in the database that match this criteria.

The department will be required to modify all existing relevant vehicle registration forms. Printing costs are included.

The department will require a Customer Services Specialist 2 (0.04 FTE in Fiscal Year 2004, and 0.50 FTE in each subsequent year). This FTE would be assigned to the agency Call Center to answer customer questions and concerns regarding resident addresses and vehicle registration.

The department will require a personal services contract (costing \$1,100) to redesign and develop the agency forms that would need to be changed to include resident address and certification under penalty of perjury.

Travel costs (\$6,000) would be required for agency staff to conduct training statewide for department agents and subagents to implement the provisions of this bill.

The department will undertake an extensive public information campaign (costing \$5,000) to inform the motoring public, auto dealers, and financial institutions of the new requirements for vehicle registration.

Attorney General support (23 hours) will be required to assist the department in the development of new rules. The department assumes that four new rules will be required. Each new rule requires at least two hours of Attorney General support. Rule development will occur in Fiscal Year 2004. In addition, fifteen hours of Attorney General support will be required for review of the department's implementation plans and provide staff consultation throughout implementation.

In addition to the direct costs associated with this fiscal note, DOL included funding to cover agency wide indirect costs. Based on the cost allocation methodology adopted by DOL in 1999 (with funding realignment approved in the 2000 and 2002 Supplemental budgets as well as funding realignment requested in the 2004 Supplemental budget) administrative support is provided to the agency at a rate of 12 percent of the direct program costs proposed in this decision package. This 12 percent is split 7 percent for Management and Support Services functions and 5 percent for Information Services functions. These costs are allocated in object E to cover agency wide handling and processing of vendor payments; equipment purchase, delivery, storage and set-up; technical assistance to employees; desktop support; contract administration; security; handling of mail; and other indirect support services functions as needed. Thus, the total cost for the decision package is: direct program cost \$510,491 + administrative support \$35,734 + information services \$25,524 = \$571,749.

### Part III: Expenditure Detail

#### III. A – Expenditures by Object or Purpose

	FY 04	FY 05	03-05 Total	05-07 Total	07-09 Total
FTE Staff Years	0.04	0.50	0.27	0.50	0.50
Salaries and Wages	1,976	16,946	18,922	34,565	35,238
Employee Benefits	489	4,591	5,080	9,315	9,448
Personal Service Contracts	1,100		1,100		
Goods and Services	174,188	363,712	537,900	50,851	51,796
Travel	6,000		6,000		
Equipment	1,991	756	2,747	4,095	3,380
Inter Agency Fund Transfers					
Grants and Subsidies					
Debt Service					
Interagency Reimbursement					
Intra-Agency Reimbursement					
Other					
<b>Total</b>	<b>185,744</b>	<b>386,005</b>	<b>571,749</b>	<b>98,826</b>	<b>99,862</b>

### III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	<u>FY 04</u>	<u>FY 05</u>	<u>03-05 Total</u>	<u>05-07 Total</u>	<u>07-09 Total</u>
EA Office Supplies	21	262	283	524	524
EN Personnel Services	12	102	114	208	212
EB Postage	19,952	216,133	236,085	27,579	28,506
EF Printing	22,474	102,422	124,896	5,079	4,983
EB Phone/Fax Install	300		300		
EB Phone/Fax/DP Lines	43	540	583	1,080	1,080
EK Facilities Costs	221	2,767	2,988	5,534	5,534
EM Attorney Gen Svcs	2,047		2,047		
EZ Other Goods & Svcs	24,911	41,486	66,397	10,847	10,957
ER DP Cont Programmers	104,207		104,207		
Total Goods & Svcs	174,188	363,712	537,900	50,851	51,796

### III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3633.

### III. B – FTE Detail

#### EXPENDITURE DETAIL – STAFF

Job Classification	Salary	<u>FY 04</u>	<u>FY 05</u>	<u>03-05 Total</u>	<u>05-07 Total</u>	<u>07-09 Total</u>
Customer Service Spec :	32,544	0.04	0.50	0.27	0.50	0.50
Total FTEs		0.04	0.50	0.27	0.50	0.50

### III. B – Expenditures by Program (optional)

Program	<u>FY 04</u>	<u>FY 05</u>	<u>03-05 Total</u>	<u>05-07 Total</u>	<u>07-09 Total</u>
100 - Mgmt & Support Services	11,609	24,125	35,734	6,177	6,241
200 - Information Services	8,292	17,232	25,524	4,412	4,458
300 - Vehicle Services	165,843	344,648	510,491	88,237	89,163
600 - Driver Services					
700 - Business & Professions					
<i>Total</i>	185,744	386,005	571,749	98,826	99,862

### Part IV: Capital Budget Impact

None.

### Part V: New Rule Making Required

None.