

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB215

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: McPike

3. Committee: Transportation

4. Title: Electronic vehicle titling and registration.

5. Summary: This bill permits the Department of Motor Vehicles to expand the existing electronic titling program for new motor vehicles to all applications for original motor vehicle titles, thereby authorizing person-to-person online titling. The bill authorizes the Department to charge certain fees. The bill also allows for the online registration of such motor vehicles and the issuance of a temporary certificate of registration.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill would allow the Department of Motor Vehicles (DMV) to establish a portal for the transfer of title between two individuals online. This program would remove the requirement of individuals involved in person-to-person sales transactions to come to a DMV customer service center to complete the titling of a motor vehicle in the buyer's name. Additionally, this legislation would reduce the number of paper titles that the DMV would be required to print each year as the proposal permits a buyer to request a paper title, but at the time of transaction only a digital title will be created in the name of the buyer.

After the online title transfers, the buyer will also be able to obtain an original registration for the purchased vehicle online. While buyers await the original registration and metal license plates, they will be given a temporary registration that will permit operation of the vehicle on roadways. Currently, no original vehicle registration can be completed online. This legislation provides the first opportunity for the DMV to offer original registration and license plate requests to residents of the Commonwealth through an online transaction.

DMV anticipates a one-time cost of \$690,837 associated with making the necessary system and programming changes. The 9,380 staff hours required can be accomplished during the normal work schedules for DMV employees, given current workloads, unless implementation timelines require overtime to meet agency requirements for programming. The agency has reserved sufficient funds to provide for the costs of this initiative and one-time cost. As a result, no budget amendment will be required to fund this program.

The authorization for charging for the use of digital signatures will allow the DMV the ability, if necessary, to provide a service to allow participants to sign documents digitally in the online portal. Currently, no such services are offered by the DMV, and the costs for each signature cannot be estimated. However, if the service needs to be provided, the DMV will be able to recover the costs of providing this service to participants in the online casual sales portal by charging for the use of the digital signature program.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.