

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB34S1

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

2. Patron: Marsden

3. Committee: Transportation

4. Title: Electronic credentials; fee.

5. Summary: This bill makes discretionary the fee, up to \$10 per year, assessed by the Department of Motor Vehicles (DMV) for each individual issued electronic credentials or granted access to an electronic credential. Current law sets the fee at \$10 per year. In addition, the bill enables DMV to issue electronic registration cards and to charge the same fees for duplicates as is charged for replacement of license plates, decals, registration cards, and certificates of title.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill would update the fee that may be assessed by the Department of Motor Vehicles (DMV) for issuing or granting access for customers to electronic credentials. In 2017, the enabling legislation had determined that a \$10 fee per year was appropriate to cover the estimated fiscal impact to DMV, including a large one-time implementation cost and ongoing costs for contracting with a third-party credential service provider.

DMV has determined that an appropriate fee amount would likely be less than \$10 per year although an exact amount has not been determined. Costs are unknown at this time and will depend on the arrangements DMV makes with the credential service provider. The updated language in this bill will provide DMV the flexibility to set an appropriate fee amount once electronic credentials are ready to be issued without having to update § 46.2-227 with a specific amount.

The bill would enable DMV to issue electronic registration cards to any individuals who hold a valid physical registration card that DMV is authorized to issue. DMV would issue the electronic registration card in addition to the physical registration card, not in place of the physical registration card. This does not affect requirements under state or local law, regulations, or ordinances that a physical registration card be possessed or displayed by an individual. The person to whom the electronic credential is presented may accept it at their discretion.

The bill also includes duplicates in § 46.2-692, which pertains to the fees charged for replacement license plates, decals, registration cards, and certificates of title. Duplicates of these items would be subject to the same fees as replacement items.

In order to implement the bill, the agency will incur programming costs estimated at \$93,977. The 1,276 staff hours required can be accomplished during the normal work schedules for DMV employees, given current workloads.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.