



State of Connecticut
HOUSE REPUBLICAN OFFICE
STATE CAPITOL
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Testimony on House Bill 5041
Transportation Committee
March 16, 2016

Chairmen Guerrero and Maynard, Ranking Members O'Dea and Boucher and Members of the Transportation Committee, the House Republican Caucus would like to thank the Committee for this opportunity to speak in favor of **House Bill 5041: An Act Concerning the Privatization of the Department of Motor Vehicles.**

We have all heard the complaints of our constituents about the long lines and the hours of waiting at DMV offices throughout the state. A computer upgrade last summer was supposed to make the process of interacting with the DMV much more efficient, but it had exactly the opposite effect. As if the long lines and long wait times were not bad enough, that same computer upgrade resulted in many drivers being falsely reported as not being properly registered and/or not having valid insurance coverage. In most of those cases, drivers could get this problem fixed, but not without spending far too much of their precious time dealing with a situation that should never have happened in the first place.

It's time we make a structural change and expand our public-private partnerships in an effort to provide DMV services to the public in the most convenient and efficient way possible. "The way we've always done it" isn't working. It's time to change course.

The bill before you requires the DMV to privatize its services that are not already privatized.¹ Interestingly, the DMV already has the authority to contract out its services² but has chosen only to allow the AAA to process drivers' license renewals and

¹ In 2011, the legislature required the DMV to report on alternatives for license renewals and registrations, including privatization. Unfortunately, only three paragraphs of the 15 page report addressed privatization. (PA 11-213, sec. 50).

² Conn. Gen. Stat. sec. 14-3.

registration transactions.³ The DMV provides 131 different services, but only a few of these services need to be done by the department.⁴ Acting Commissioner Dennis Murphy agreed at a recent public hearing that privatizing some additional services, such as commercial drivers' licenses (CDLs) and title services, could reduce wait times and that the department could expand its reliance on contracts with independent contractors and delegate simple transactions to them, providing motorists with more options and more convenience.

Connecticut wouldn't be the first to privatize DMV services. In fact, 18 other states have at least some of their DMV services provided by the private sector and 10 states even outsource drivers' tests. Seven states have registration and licensing split between more than one agency, thirty-one states have a motor vehicle division or office within a larger state agency.⁵ Missouri contracts out almost all of its DMV services to private entities.

The private sector does a much better job of customer service and they have a competitive reason to cut costs, improve efficiency, and ensure customer satisfaction. The government's current monopoly on providing DMV services provides no effective incentive for ensuring customer satisfaction - it's not as if the customer can go elsewhere. Where they can, they do - as evidenced by the increasing movement of customers to AAA.

The more government tries to do, the less it does well. We can do more with less if we focus on our core government function.

Thank you again for the opportunity to speak on this important issue. I look forward to working with you and the members of your committee as this bill moves through the process.

³ Pursuant to CGS 14-41(b), AAA currently processes 30% of license renewals.

⁴ Due to privacy and identity concerns, the department's function could be limited to only what's necessary to comply with federal Real ID Act requirements.

⁵ Connecticut is one of only 9 states that have a free-standing DMV.