sHB-7201
AN ACT CONCERNING THE CONVENIENCE OF ACQUIRING MOTOR VEHICLE LICENSES AND REGISTRATIONS.

OFA Fiscal Note

State Impact:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 20 $</th>
<th>FY 21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Motor Vehicles</td>
<td>TF - Revenue Shift</td>
<td>See Below</td>
<td>See Below</td>
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<tr>
<td>Department of Motor Vehicles</td>
<td>Passport to Parks</td>
<td>See Below</td>
<td>See Below</td>
</tr>
<tr>
<td></td>
<td>Account - Revenue Gain</td>
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</tbody>
</table>

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill allows for individuals to extend their renewal periods for: 1) drivers licenses (6 to 8 years); and 2) vehicle registrations (2 to 3 years). The bill increases the associated fees proportionately so there is no revenue impact over time. However, to the extent that individuals decide to extend their renewal periods, there may be a revenue shift between fiscal years with a revenue gain in the upcoming biennium offset by revenue losses in the following out years.

Due to the prorated fee and based on the number of licenses and registrations, there would be a maximum revenue gain of approximately $12.9 million in FY 20 due to a January 1, 2020 activation date and approximately $49.5 million in FY 21. This revenue gain would be dependent on the number of individuals who

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1 The average number of licenses over a six year period is 446,290 and the average number of registrations for FY 17 and FY 18 is 1,699,311.

Primary Analyst: AB 4/4/19
Contributing Analyst(s):
Reviewer: MM
choose the extended renewal period and it is not anticipated that every individual would choose this extension.

The bill also increases the six-year cost of an ID card from $22.50 to $24.00. Based on the number of ID cards, there would be a revenue gain of approximately $53,963 in FY 20 and FY 21 due to the increased fee. ²

Lastly, the bill adjusts other registration-related fees to align with the extended renewal period options. This includes setting the Clean Air Act and Passport to the Parks fees for a triennial registration at $15 each, which is proportionate to the existing $10 fees for biennial registrations. To the extent individuals opt for the extended renewal period, there will be an up-front increase to the Passport to Parks Fund and the Special Transportation Fund, but eventually these fees will align to a cyclical revenue neutral schedule because the fees are prorated.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of identification cards and individuals opting for the extended license and registration renewal periods.

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² The Department of Motor Vehicles currently has 215,853 identification cards.