

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7826**

**BILL NUMBER: HB 1639**

**DATE PREPARED:** Jan 13, 1999

**BILL AMENDED:**

**SUBJECT:** Bureau of Motor Vehicles.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                           **DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill prohibits money collected for the Motor Vehicle Highway Account Fund from being used to augment the budget of the Bureau of Motor Vehicles Commission. It requires the Commission to determine annually the cost of operating license branches. The bill requires the Commission to fund license branch operations with service charges on license branch services. It requires the Bureau to adopt rules to decrease the service charges for services provided entirely outside the license branches.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The Motor Vehicle Highway Account would no longer be used to augment the budget of the Bureau of Motor Vehicles Commission (BMVC) after June 30, 1999. The specific impact of this provision will depend upon how much money the BMVC would have needed, if any, for augmentation in future years. It is assumed that the funds previously used for augmentation would now be available for use for other purposes within the Motor Vehicle Highway Account. For fiscal year 1999, the current fiscal year, the BMVC is projecting a shortfall of \$8.9 million, while for fiscal year 2000, the projected shortfall is \$9.08 million, and for fiscal year 2001, the projected shortfall is \$10.33 million.

Currently, the Motor Vehicle Highway Account is used to distribute funds to the Indiana Department of Transportation, cities, towns, and counties for road construction, maintenance, land acquisition. In addition, the Motor Vehicle Highway Account also supports the Bureau of Motor Vehicles, part of the State Police budget, part of the Department of Revenue budget, along with a variety of other expense areas, such as Covered Bridge Distributions and payment of County Engineers.

**Explanation of State Revenues:** The BMVC is to annually determine the cost of operating the 168 license branches and to impose a service charge in amounts necessary to fund license branch operations. The specific impact will depend upon the annual costs of the license branches and the amount of the new service charges and whether or not they are sufficient to cover the costs of operation.

The bill also requires the Bureau of Motor Vehicles to adopt rules to decrease the service charges for services provided entirely outside the license branches. Currently, the Bureau of Motor Vehicles charges \$.75 for mailing a sticker and \$1.50 for mailing a license plate. The Bureau of Motor Vehicles does not charge a fee for use of Internet transactions, nor does it charge a fee for use of the Self-Service Terminals (SSTs). The specific impact will depend upon what fees are charged for services conducted entirely outside the license branches. The fund affected is the Motor Vehicle Highway Account which supports the Bureau of Motor Vehicles.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The specific impact of this provision will depend upon how much money the BMVC would have needed, if any, for augmentation in future years. It is assumed that the funds previously used for augmentation would now be available for use for other purposes within the Motor Vehicle Highway Account.

**State Agencies Affected:** Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; Department of Transportation.

**Local Agencies Affected:** Recipients of distributions from the Motor Vehicle Highway Account.

**Information Sources:** BMVC budget data.