

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7826

BILL NUMBER: HB 1639

DATE PREPARED: Mar 25, 1999

BILL AMENDED: Mar 25, 1999

SUBJECT: Bureau of Motor Vehicles.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

**FUNDS AFFECTED: GENERAL
 X DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill:

- (1) prohibits money collected for the Motor Vehicle Highway Account fund from being used to augment the budget of the Bureau of Motor Vehicles Commission;
- (2) requires the Commission to determine annually the cost of operating license branches;
- (3) requires the Bureau of Motor Vehicles to extend its normal working hours so that all applicants for a drive test who are otherwise qualified are entitled to a test within 14 days after applying to take the test;
- (4) allows the Bureau of Motor Vehicles Commission to contract with a qualified person for the administration of a Bureau-approved standardized drive test examination;
- (5) provides that an individual holding a probationary driver's license may operate a motor vehicle in which there are passengers if the individual is driving to or from school or a school activity and the only passengers in the motor vehicle are siblings of the individual;
- (6) requires the Commission to fund license branch operations with service charges on license branch services;
- (7) provides that after April 30, 1999, a new service charge or an increase in a service charge that is imposed by rule by the Bureau of Motor Vehicles shall be collected as an additional charge to the license branch customer;
- (8) 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: (Revised) (1) 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.

(3) Currently, the Bureau of Motor Vehicles is able to provide drive tests within the fourteen day limit as set by the amendment of 2/1/99. The BMV reports that if the BMV cannot stay current in order to provide the drive test within fourteen days, there would be a need for overtime. Normally, the drive tests are only performed in the daylight hours. If this standard is to continue, the BMV likely would need to work on Saturdays and/or Sundays. The specific fiscal impact will depend upon the number of hours involved and the hourly rate of the individuals involved. This would impact both the Bureau of Motor Vehicles and the Bureau of Motor Vehicles Commission. The hourly rates for those involved range between \$8.50 and per and \$9.50 per hour. The funds affected are the Motor Vehicle Highway Account for the BMV employees and the State License Branch Fund for the BMVC employees.

(4) If the BMVC is to contract with qualified person for the administration of a Bureau-approved standardized drive test examination, there will be a cost of \$10 per hour for the qualified person. The test takes between 20 and 30 minutes. Two tests per hour would be the maximum. The fund affected is the State License Branch Fund.

(5) This part will have no fiscal impact.

Explanation of State Revenues: (Revised) (2), (6), and (7) 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 clarifies that any increase in an existing service charge or a new service charge shall be collected as an additional charge to the license branch customer.

(8) 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: (Revised) (1) The specific impact of not allowing the Bureau of Motor Vehicles Commission to augment its budget from the Motor Vehicle Highway Account 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.