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# VIRGINIA STATE BUDGET

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2018 Special Session I

## Budget Bill - HB5001 (Introduced)

Bill Order » Office of Transportation » Item 442

Department of Motor Vehicles

Item 442	First Year - FY2017	Second Year - FY2018
<b>Ground Transportation Regulation (60100)</b>	<b>\$178,580,056</b>	<b><del>\$178,585,157</del> \$180,085,157</b>
Customer Service Centers Operations (60101)	\$122,963,251	<del>\$122,963,251</del> \$124,463,251
Ground Transportation Regulation and Enforcement (60103)	\$41,894,958	\$41,894,958
Motor Carrier Regulation Services (60105)	\$13,721,847	\$13,726,948
Fund Sources:		
Commonwealth Transportation	\$171,133,456	<del>\$171,138,557</del> \$172,638,557
Trust and Agency	\$5,446,600	\$5,446,600
Federal Trust	\$2,000,000	\$2,000,000

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Authority: Title 46.2, Chapters 1, 2, 3, 6, 8, 10, 12, 15, 16, and 17; §§ [18.2-266](#) through [18.2-272](#); Title 58.1, Chapters 21 and 24, Code of Virginia. Title 33, Chapter 4, United States Code.

A. The Commissioner, Department of Motor Vehicles, is authorized to establish, where feasible and cost efficient, contracts with private/public partnerships with commercial operations, to provide for simplification and streamlining of service to citizens through electronic means. Provided, however, that such commercial operations shall not be entitled to compensation as established under § [46.2-205](#), Code of Virginia, but rather at rates limited to those established by the commissioner.

B. The Department of Motor Vehicles shall work to increase the use of alternative service delivery methods, which may include offering discounts on certain transactions conducted online, as determined by the department. As part of its effort to shift customers to internet usage where applicable, the department shall not charge its customers for the use of credit cards for internet or other types of transactions; however, this restriction shall not apply with respect to any credit or debit card transactions the department conducts on behalf of another agency, provided (i) the other agency is authorized to charge customers for the use of credit or debit cards and (ii) the merchant's fees and other transaction costs imposed by the card issuer are charged to the department.

C. In order to provide citizens of the Commonwealth greater access to the Department of Motor Vehicles, the agency is authorized to enter into an agreement with any local constitutional officer or combination of officers to act as a license agent for the department, with the consent of the chief administrative officer of the constitutional officer's county or city, and to negotiate a separate compensation schedule for such office other than the schedule set out in § [46.2-205](#), Code of Virginia. Notwithstanding any other provision of law, any compensation due to a constitutional officer serving as a license agent shall be remitted by the department to the officer's county or city on a monthly basis, and not less than 80 percent of the sums so remitted shall be appropriated by such county or city to the office of the constitutional officer to compensate such officer for the additional work involved with processing transactions for the department. Funds appropriated to the constitutional office for such work shall not

be used to supplant existing local funding for such office, nor to reduce the local share of the Compensation Board-approved budget for such office below the level established pursuant to general law.

D. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross collections for the first \$500,000 and 5.0 percent of all gross collections in excess of \$500,000 made by the entity during each fiscal year on such state taxes and fees in place as a matter of law. The commissioner shall supply the agents with all necessary agency forms to provide services to the public, and shall cause to be paid all freight and postage, but shall not be responsible for any extra clerk hire or other business-related expenses or business equipment expenses occasioned by their duties.

E. Out of the amounts identified in this Item, \$299,991 the first year and \$299,991 the second year from the Commonwealth Transportation Fund shall be paid to the Washington Metropolitan Area Transit Commission.

F.1. Notwithstanding any other provision of law, the department shall assess a minimum fee of \$10 for all replacement and supplemental titles. The revenue generated from this fee shall be set aside to meet the expenses of the department.

2. Notwithstanding any other provision of law, the department shall assess a \$10 late fee on all registration renewal transactions that occur after the expiration date. The late fee shall not apply to those exceptions granted under § 46.2-221.4, Code of Virginia. In assessing the late renewal fee the department shall provide a ten day grace period for transactions conducted by mail to allow for administrative processing. This grace period shall not apply to registration renewals for vehicles registered under the International Registration Plan. The revenue generated from this fee shall be set aside to meet the expenses of the department.

3. Notwithstanding any other provision of law, the department shall establish a \$20 minimum fee for original driver's licenses and replacements. The revenue generated from this fee shall be set aside to meet the expenses of the department.

G. The Department of Motor Vehicles is hereby granted approval to renew or extend existing capital leases due to expire during the current biennium for existing customer service centers.

H. The Department of Motor Vehicles is hereby appropriated revenues from the additional sales tax on fuel in certain transportation districts to recover the direct cost of administration incurred by the department in implementing and collecting this tax as provided by § 58.1-2295, Code of Virginia.

I. The Commissioner of the Department of Motor Vehicles, in consultation with the Commissioner of Highways, shall take such steps as may be necessary to expand access to the E-ZPass program through its customer service channels using such locations and methods as are practicable.

J. Included in the amounts for this item is \$350,000 in the first year and \$350,000 in the second year to support the on-going costs associated with the regulation of Transportation Network Companies in Virginia pursuant to the provisions of Chapter 2, 2015 Session of the General Assembly.

K. Notwithstanding the provisions of Chapter 21 of Title 46.2, Code of Virginia, the Commissioner of the Department of Motor Vehicles shall be authorized to grant temporary authority to a motor carrier to transport property for compensation on an intrastate basis utilizing a digital platform that connects persons seeking a property transportation service with persons authorized by the motor carrier to transport property. Such temporary authority shall be subject to such reasonable conditions as the Commissioner may impose, and shall be valid only for passenger cars and pickup or panel trucks, as those terms are defined in § 46.2-100, Code of Virginia, which vehicles shall not be required to be issued for-hire license plates under the provisions of § 46.2-711, Code of Virginia. Such temporary authority, unless suspended or revoked, shall be valid for such time as the Department shall specify, but such authority shall not extend beyond January 1, 2018, and shall create no presumption that

corresponding permanent authority will be granted thereafter.

L. The Department of Motor Vehicles is hereby granted approval to distribute the transactional charges of the Cardinal accounting system to state agencies, when the transactions involve funds passed through the department to the benefiting agency.

M. The Department of Motor Vehicles is hereby granted approval to distribute a portion of its indirect cost allocation charge to another state agency when the charge is related to revenue collected and transferred by the department to the state agency. Such transfers shall be based on the agency's proportionate share of the department's total transactions in the immediately preceding fiscal year. The Department shall annually submit to the Department of Planning and Budget a summary of the transfer amounts and the transaction volumes used to allocate the internal cost amounts.

N. Notwithstanding § 46.2-688, Code of Virginia, the Department of Motor Vehicles shall not be required to refund a proration of the total cost of a motor vehicle registration when less than six months remain in the registration period. Any resulting savings shall be retained and used to meet the expenses of the Department.

O. Notwithstanding § 46.2-342, Code of Virginia, the Department of Motor Vehicles shall not be required to include organ donation brochures with every driver's license renewal notice or application mailed to licensed drivers.

P. The Commissioner shall only refuse to issue or renew any vehicle registration pursuant to subsection L of § 46.2-819.3:1 of an operator or owner of a vehicle who has no prior convictions for offenses under § 46.2-819.3:1 if, in addition to the conditions set forth in subsection L of § 46.2-819.3:1 for such refusal, the toll operator has offered the individual a settlement of no more than \$2,200.

*Q.1. Pursuant to § 3-2.03 of this act, a line of credit up to \$20,700,000 is provided to the Department of Motor Vehicles as a temporary cash flow advance. The Department shall transfer such related funds to its special fund. Funds received from the line of credit shall be used to support operational costs related to the implementation and issuance of REAL ID compliant credentials. The Department is authorized to impose a \$10 surcharge on all first issuances of REAL ID compliant credentials that are acceptable for federal purposes. The surcharge shall be used to reimburse the line of credit. The request for the line of credit shall be prepared in the formats as approved by the Secretary of Finance and the Secretary of Transportation.*

*2. The Secretary of Finance and Secretary of Transportation shall approve the draw downs from this line of credit prior to the expenditure of funds.*