HB 3137, as amended by the -1 amendments

Under current law, the owner of a vehicle must submit an odometer reading when the vehicle title is transferred if the vehicle is less than 10 years old. DMV's system has checks to ensure that the odometer information is present and rejects title transactions that do not have the required odometer information. The system does not allow odometer reading information to be entered for title transactions when the vehicle is 10 years old or older.

HB 3137, as amended, requires DMV to retain the most recent vehicle odometer reading reported by a vehicle's owner in its electronic database regardless of the vehicle's age. When a vehicle is 10 years old or older, the vehicle's owner may choose to submit, or not to submit, an odometer reading when title is transferred.

The measure requires computer system modifications and process changes to accept the optional information so that transactions that do not have the odometer information when it is required are rejected and that all other transactions are accepted. This requires changes to:
- Administrative rules
- Computerized vehicle title and registration systems
- Forms
- Manuals and process documentation

In addition, DMV field office staff and headquarters staff who process title transaction also need to be updated on the changes.

DMV processes almost 2 million title transactions each biennium. Title transactions are submitted at DMV's 65 field offices (65%), by mail (30%) and by vehicle dealers using the Electronic Vehicle Registration system (5%). The latter category does not impact DMV because dealers, not DMV staff, enter information in the EVR.

Based on a review of title transactions, DMV anticipates that HB 3137 would affect about 242,000 title transactions during the 18 months of the 2013-15 biennium and 332,000 transactions during the 24 months of the 2015-17 biennium. Entering the optional odometer information, proof reading and auditing titles, while representing a very small amount of time on each title transaction, represents a workload increase of about 0.50 FTE across DMV.

	2011-13	2013-15
One Time Implementation Costs:		
DMV work group to plan and oversee implementation	$22,500	$0
Computer programming to implement system changes	$26,250	$0
Dept. of Justice review of administrative rules	$1,430	$0
Training costs	$5,000	$0
Ongoing Costs:		
Estimated workload increase (staff and support costs)	$19,346	$25,795
Total Estimate Expenditures	**$74,526**	**$25,795**

Vehicle title and registration fees are revenue sources for the State Highway Fund. Maintaining vehicle title and registration information are a permissible administrative expenses of the Fund. However, performing optional functions, such as recording and maintaining odometer readings provided by customers on a voluntary basis is not a constitutional use of the Highway Fund. A different source of funding must support the costs related to voluntary reporting and maintenance of the odometer data.

April 12, 2013