



**State Fiscal Note for Bill
Number: 2016-H-7190**

Date of State Budget Office Approval:

Date Requested: Friday, January 29, 2016

Date Due: Monday, February 08, 2016

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2016	\$0	FY 2016	NA
FY 2017	\$820,000 or more	FY 2017	NA
FY 2018	\$820,000 or more	FY 2018	NA

**Explanation by State
Budget Office:**

This act would prohibit the assessment of a convenience fee in connection with online transactions with the division of motor vehicles. This act would take effect upon passage.

**Comments on
Sources of Funds:**

Disbursements to cover the online transaction convenience fees would be funded with general revenue.

**Summary of Facts
and Assumptions:**

Rhode Island Interactive (formerly RI.GOV) collected slightly over \$820,000 in convenience fees in calendar 2015 for the seventeen division of motor vehicles online services it provides. Currently, Rhode Island Interactive (RII) charges between \$1.50 and \$2.50 for certain online transactions, but provides other transactions, such as car registration renewals for no charge. Out of these surcharges, RII covers the cost associated with using a credit card and thus there is no additional fee charged to the customer for this option.

The DMV would have two choices: 1) Pay RII the convenience fees that customer are now paying (Expenditures would be estimated at \$820,000 or more per year). 2) The DMV could cancel all on-line transactions from RII, and service these customers in person, which would increase operational cost for DMV to handle the increase in the number of transactions at all DMV locations, including significant additional overtime expenses and the purchase of temporary license plate inventory. The cost of additional staff and/or overtime to cover these additional transactions would likely exceed the \$820,000 amount currently received by RII.

**Summary of Fiscal
Impact:**

If this bill were to be enacted, the DMV would likely request to continue providing the online services through RII and thus would need to pay for the transactions in lieu of the convenience fee at an estimated cost of \$820,000 or more annually. No impact is assumed in FY 2016 due to the timing of enactment of this legislation.

Budget Office Signature:

Fiscal Advisor Signature:

Prepared by:

Kim Reynolds / 4012226412 / Kimberly.Reynolds@budget.ri.gov

Tuesday, March 29, 2016

Page 1 of 1