

**STATE OF WEST VIRGINIA**

**FULL PERFORMANCE EVALUATION OF THE**

**Division of Motor Vehicles**

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**Division of Motor Vehicles Serves  
an Important and Necessary Function**

**Implementing a West Virginia  
Automobile Dealers Titling Plan  
is a Convenience for Consumers**

**Division of Motor Vehicles  
Should Consider Online  
Vehicle Registration Renewal**

**OFFICE OF LEGISLATIVE AUDITOR  
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State Capitol Complex**

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## TABLE OF CONTENTS

Executive Summary .....	3
Review Objective, Scope and Methodology .....	5
<b>Issue 1:</b> The Division of Motor Vehicles Serves an Important and Necessary Function .....	7
<b>Issue 2:</b> Implementing a West Virginia Automobile Dealers Titling Plan is a Convenience for Consumers .....	11
<b>Issue 3:</b> The Division of Motor Vehicles Should Consider Online Vehicle Registration Renewal .....	15

### List of Tables

<b>Table 1:</b> Number of Class A Registrations .....	8
<b>Table 2:</b> FY 2003 Goals and Objectives for DMV .....	9
<b>Table 3:</b> States With Online Registration Renewal .....	15
<b>Table 4:</b> Online Renewal Usage Statistics .....	17
<b>Table 5:</b> Process Costs for the DMV .....	18
<b>Table 6:</b> Online Vehicle Registration Renewal Start Up Costs .....	19
<b>Table 7:</b> Potential Cost Savings with Online Renewals .....	20
<b>Appendix A:</b> Transmittal Letter to Agency .....	23
<b>Appendix B:</b> Letter from the State Treasurer's Office .....	27
<b>Appendix C:</b> Agency Response .....	31
<b>Appendix D:</b> Addendum to Agency Response .....	35





## **Review Objective, Scope, and Methodology**

This is a Full Performance Review of the West Virginia Division of Motor Vehicles as required by WVC §4-10-4. The Division of Motor Vehicles is responsible for ensuring the ethical interpretation and application of motor vehicle and related laws, providing essential motor vehicle and driver services to the public, promoting highway safety, and collecting revenue for transportation programs.

### **Objective**

The objective of this review is to examine the following issues:

- (1) Analysis of whether the Division of Motor Vehicles performs an important and necessary function.
- (2) Analysis of the Division of Motor Vehicles providing an electronic registration program for automobile dealers.
- (3) Analysis of the potential benefits of online vehicle registration renewals.

### **Scope**

The scope of this review covered statistics of citizens served by the Division from 1999 - 2002, and the activities of other states.

### **Methodology**

The Legislative Auditor's Office examined data provided by the Division of Motor Vehicles, which included annual reports, budget documents, and other data provided by the agency. The report was developed through analysis of that data, interviews and information requested from agency personnel, interviews and information from other states, government publications, and information obtained from the internet. Every aspect of this evaluation complied with **Generally Accepted Government Auditing Standards (GAGAS)**.





## **Issue 1: The Division of Motor Vehicles Serves an Important and Necessary Function.**

According to the Division of Motor Vehicles (DMV) annual report, the mission of the DMV is to ensure the ethical interpretation and application of motor vehicle and related laws, provide essential motor vehicle and driver services to the public, promote highway safety, and collect revenue for transportation programs. **The Legislative Auditor feels that there is a need for the Division of Motor Vehicles.** The services provided by the DMV operate out of four major areas:

- Administrative Services
- Driver Services
- Motor Carrier Services
- Vehicle/Field Services

The **Administrative Services** section maintains computerized and optical scan databases for all DMV documents. In addition, this section prepares and administers the annual budget and monitors the purchasing for the division.

**Driver Services** provides many benefits to the State. For instance, this section issues drivers licenses to qualified persons and provides driving records for insurance and employment purposes. In addition, this service provides, through driver's license suspension, sanctions against persons who violate motor vehicle laws, accrue unpaid tickets, and violate student attendance and child support laws. The Governor's Highway Safety program is under this area as well.

**Motor Carrier Services** collects revenues for the 55 counties via taxes assessed on apportioned power units. Furthermore, this unit interprets and advises law enforcement and others on regulations, policies, and statutes concerning commercial vehicles.

The **Vehicle/Field Services** section processes documents and payments for the registering and titling of vehicles. Also, Vehicle/Field Services inspects and regulates motor vehicle dealers, oversees the processing of DMV documents, provides examinations for driver's licenses, and maintains the accountability over revenue for the State Road Fund.

The Legislative Auditor has determined that the Division of Motor Vehicles is operating efficiently and effectively in performing its task to the public. The Division has 18 regional offices to serve the public. In FY 2001, the DMV registered 1,611,528 vehicles and issued 35,156 personalized license plates. As shown in the table below, the Division issued 1,343,471 Class A license registrations, which are Passenger license registrations. Furthermore, according to the Department of Transportation FY 2003 Budget Presentation, the DMV served approximately 999,345 walk-ins, and suspended a total of 59,000 driver licenses for failure to appear or pay fines.

<b>Table 1</b>			
<b>Number of Class A Registrations</b>			
<b>1 Year (Passenger Licenses)</b>			
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
<b>New Registrations</b>	278,259	289,957	289,990
<b>Renewal Registrations</b>	1,000,226	1,049,430	1,053,481
<b>Total Registrations</b>	1,278,485	1,339,387	1,343,471

## **Goals and Objectives**

The West Virginia DMV has indicated that they hope to complete some major projects by the end of FY 2002. These projects include: implementing an electronic credentialing plan for automobile dealers to issue permanent plates and registration cards; accepting credit cards for vehicle and driver transactions; and increasing the number of training sites available to students for motorcycle safety training.

Each of the four major work areas within the Division of Motor Vehicles have their own goals and objectives for FY 2003. These goals and objectives are indicated in the following table:

<b>Table 2</b>	
<b>FY 2003 Goals and Objectives for DMV</b>	
<b>Vehicle/Field Services</b>	
<ul style="list-style-type: none"> <li>▶ Begin accepting credit cards in all regional offices</li> <li>▶ Implement an integrated computer system with West Virginia counties for personal property tax payments by 2003</li> <li>▶ Install automated testing machines in all DMV regional offices by 2003</li> </ul>	
<b>Driver Services</b>	
<ul style="list-style-type: none"> <li>▶ Improve the use of seat belts by West Virginia drivers to 80% by July 2005</li> <li>▶ Increase the scientific survey of seat belt usage in West Virginia to biannually by 2002</li> <li>▶ Reduce the number of 15-19 year old fatalities by 15% through the implementation of graduated driver's license by 2005</li> <li>▶ Reduce the total number of fatalities in West Virginia by 10% in 2002</li> </ul>	
<b>Administrative Services</b>	
<ul style="list-style-type: none"> <li>▶ Improve access to the Division through use of the internet</li> <li>▶ Develop processes for expanding other services utilizing e-commerce</li> </ul>	
<b>Motor Carrier Services</b>	
<ul style="list-style-type: none"> <li>▶ Reduce the registration/application processing burden for WV's motor carriers</li> <li>▶ Streamline the administration of the motor carrier credentialing and taxation process</li> </ul>	
<i>Source: West Virginia Department of Transportation FY 2003 Budget Presentation</i>	

**Discernable Effects if the Agency Were Terminated**

The Legislative Auditor feels that termination of the West Virginia Division of Motor Vehicles would have major discernable effects on the state. The agency is the primary caretaker of motor vehicle services throughout the state, and is responsible for the application of motor vehicle laws. Without the Division, West Virginia would have no agency to effectively process motor vehicle transactions, such as the licensing of drivers, registration of motor vehicles, and the issuing of license plates. Most importantly **safety of citizens would be affected by the lack of proper driver testing and licensing by allowing unsafe drivers to operate motor vehicles.**

**Conclusion**

The Legislative Auditor recommends that the Division of Motor Vehicles be continued. The services that are provided by the DMV are necessary for the operation of state government, and the Division's responsibility for the application of motor vehicle laws provides a needed service to West

Virginia citizens. Overall, the Division is operating effectively and efficiently, and has some major goals and objectives that could help improve motor vehicle safety for state residents.

### **Recommendation 1**

*The Legislative Auditor recommends that the Legislature continue the Division of Motor Vehicles.*

## **Issue 2: Implementing a West Virginia Automobile Dealers Titling Plan is a Convenience for Consumers.**

In the FY 2003 West Virginia Department of Transportation House Finance Budget Presentation, the Division of Motor Vehicles stated that there are several major projects that were initiated in FY 2001 that the Division hopes to complete by the end of FY 2002. One of these projects is the implementation of a plan that will allow West Virginia automobile dealers to issue vehicle registration cards and permanent license plates. DMV staff stated to the Legislative Auditor that this program will not be implemented by July 1, 2002, because the vendor contract has not been fully processed at this time. DMV staff did note that the contract has already been approved by the DMV itself, the West Virginia Department of Administration and the West Virginia Attorney General's Office. According to the Division, implementation of the contract should be in the fall of 2002; however, the Division does not have an exact date. **The Legislative Auditor feels that allowing automobile dealers to register vehicles and issue license plates would be convenient for consumers in West Virginia and that the Division should continue to pursue this plan.**

### **Program Specifics**

The DMV has indicated this program would work as follows:

*The plan would allow participating dealers to file electronically on behalf of their customers, all applications for certificates of title and vehicle registrations with the Division. The vendor will provide a computer interface to the Division's Computer Vehicle Records... The Division will permit the vendor to allow participating automobile dealers to distribute "Class A Plates" and "Decals" to customers of participating dealers. Customers have the option to have the dealer process all the paperwork through the computer to the Division without coming to a Division office. The dealer can charge up to \$18.00 for this Service.*

On December 21, 2001 the West Virginia Division of Motor Vehicles contracted with the Computerized Vehicle Registration (CVR) to establish the "Electronic Title Filing System" in West Virginia. As stated in the agreement between the DMV and CVR:

*"This program shall be designed to protect the integrity of personal information in the Vehicle Records by adhering to the provisions of the federal Driver Privacy Protection Act and the West Virginia companion law, namely the Uniform Motor Vehicles Records Disclosure Act."*

CVR provides dealers, financial institutions, and insurance companies with an electronic link to state Motor Vehicle departments. This link can be used for inquiries into state databases for vehicle and driver information. Also, this link would allow CVR clients - the dealers - to process new, transfer, or renew vehicle title and registration transactions. CVR currently processes over 400,000 billable transactions a month for more than 3,500 clients in the following states:

- Arkansas
- California
- Florida
- Maryland
- Massachusetts
- Mississippi
- Tennessee
- Texas
- Virginia
- Wisconsin

In West Virginia, CVR would be licensed to transmit the following:

- applications for vehicle registration
- transfer of registration
- registration renewals, and
- applications for certificates of title

The agreement also states that the DMV would make available at no cost to CVR, direct on-line, real-time access to Vehicle Records for use by those dealers that would be participating in the program. In addition, the agreement states that:

*CVR shall receive no compensation from the West Virginia Division of Motor Vehicles for submission of Vehicle Record information to the West Virginia Division of Motor Vehicles via ETFS. CVR shall be entitled to charge Participating Dealers monthly participation fees and such other fees for each on-line remote submission of Vehicle Record information and transfer of fees and other monies as may be provided for in the Dealer Agreements. The monthly participation fees shall not violate any West Virginia Law.*

DMV staff informed the Legislative Auditor that there is an estimated start up cost of \$3,500, and an expected annual cost of \$23,000 to run the program. These costs would be for administrative, personnel, and minimal equipment use. In addition, the Division costs would include developing computer programs. The Division stated most of the start up costs and the cost of maintaining this program would be borne by the vendor - CVR. CVR would be responsible for providing the software to the dealers and administering the program. The motor vehicle dealers would be responsible for buying the computers and equipment for use at their businesses.

**While exact costs on the contract could not be determined, there would be minimal cost to the Division to provide a convenient service to consumers purchasing vehicles within the state.** The Legislative Auditor commends the Division for taking this customer service approach.

## **Virginia's Dealer Registration Program**

The state of Virginia has implemented the online dealer registration process similar to the plan that West Virginia is proposing. The Virginia DMV started this program in 1992, with CVR, as a joint pilot project that was authorized by the Virginia General Assembly with a line item in a budget bill. The Automated Interface System provides the electronic link between their Department of Motor Vehicles and the Virginia motor vehicle dealers. Similar to the program to be implemented in West Virginia, the Automated Interface System provides a means for Virginia automobile dealerships to issue registration cards, metal license plates, and decals at the point of sale, and then electronically updates the DMV's vehicle files. Virginia currently has two authorized vendors - one of which is CVR - who facilitates the program's hardware and software.

The Virginia DMV currently serves 464 Virginia dealers which, in turn, amounts to 9% of all franchised dealers and 3% of all independent dealers. There are also 75 Maryland dealers, 5 salvage pools, and 35 fleets that participate in Virginia's program. Virginia's DMV processes 20% of all title transactions and over 50% of all dealer transactions. It was also noted that the online Virginia dealers typically process 33,000 titling transactions per month, the online Maryland dealers typically process 600 Virginia transactions per month, the online fleets perform approximately 4,200 transactions per month, and the online salvage pools typically process about 2,500 transactions per month.

In response to a question about the ongoing costs that keep the system running, Virginia DMV staff stated to the Legislative Auditor:

*“Virginia pays the online dealers 0.75% of the funds collected on behalf of the DMV as a commission. This currently averages \$4.39 per transaction. The others do not receive any compensation whatsoever from the DMV. In addition, DMV operates a work center dedicated to providing help desk services for DMV problems (the vendors also provide similar services for all non-DMV problems) to perform desk audits of the work submitted and to test software provided to the users by the vendors. Each participant is audited for thirty days for transactions when joining the program, randomly during the remainder of their participation, and annually for a one week period as specified by our Internal Auditors.”*

The Virginia online dealer process, which will be similar to West Virginia's, begins with the dealer selling the vehicle to the customer. The process then continues as follows:

- Using the vendor's software and hardware, the dealer submits the electronic application for the title and registration, including lien holder information, if appropriate.
- License plates and decals are removed from the inventory, on site at the dealership, as managed and indicated by the vendor's system, and a permanent registration card is printed at the dealership.
- DMV returns the appropriate information, including the title and log numbers, through the vendor's host system back at the dealer.



- The dealer writes the title and log numbers and the date of the transaction on the face of the Manufacturers Certificate of Origin or Manufacturers Statement of Origin or title. The title and a paper title application form must be submitted to DMV.
- The vendor will withdraw the funds from the dealer's account, set up to cover the fees and taxes due to DMV, and will forward those funds to DMV's account via an Electronic Funds Transfer within seven days of the transaction, and send DMV a deposit certificate.
- The dealer must provide all documentation for transactions submitted along with the daily reports and send them to DMV using DMV's courier service
- The titles are printed overnight and mailed directly to either the customer or the lien holder whichever is appropriate.

## **Conclusion**

The Division of Motor Vehicles should continue to proceed with the program to allow automobile dealers to register titles and licenses for customers purchasing vehicles. The DMV originally planned for the system to be in operation during FY 2002, but did not get the vendor contract with CVR fully processed in time. The Legislative Auditor feels that providing this service will be a convenience to citizens by allowing them to receive their title and license from the dealer, rather than having to go to their local DMV office after purchasing a vehicle. The costs will be absorbed by the dealers and consumers, thus there will be little cost to the Division. There appear to be few drawbacks to DMV since all fees will be collected by the dealers, and forwarded to the Division. Costs would be minimal for some administrative, personnel, and minimal equipment use. The state of Virginia has already implemented a similar plan with approximately 9% participation from Virginia franchised automobile dealers.

## **Recommendation 2**

*The Division of Motor Vehicles should continue to proceed with the dealer registration program allowing automobile dealers to register new and used vehicle purchases.*

**Issue 3: Online Vehicle Registration Renewal Should be Implemented for Customer Convenience and Cost Savings to the State.**

The West Virginia Division of Motor Vehicles allows vehicles to be titled and registered by mail, or in person, at one of the DMV Regional Offices, or to be couriered at one of the 130 privately-owned license services that are located in most communities around the State. **With the growth of e-commerce and e-government, the Legislative Auditor finds that the DMV should provide for vehicle registration to be renewed online through the internet.** The Legislative Auditor finds that the DMV could experience cost savings in processing costs as the use of internet registration expands. In addition, citizens of the state would enjoy a convenient and inexpensive way of renewing their vehicle registration.

**Online Registration Is Available in 31 States**

At the present time, 31 states and the District of Columbia allow motorists to renew their vehicle registration online, including all five surrounding states.<sup>1</sup> Table 3 lists availability of online registration in other states:

<b>Table 3 States With Online Registration Renewal</b>					
<b>State</b>	<b>Online Renewals</b>	<b>State</b>	<b>Online Renewals</b>	<b>State</b>	<b>Online Renewals</b>
Alabama	Yes	Louisiana	Yes	North Dakota	No
Alaska	Yes	Maine	Yes	Ohio	Yes
Arizona	Yes	Maryland	Yes	Oklahoma	No
Arkansas	Yes	Massachusetts	Yes	Oregon	No
California	Yes	Michigan	Yes	Pennsylvania	Yes
Colorado	No	Minnesota	Yes	Rhode Island	No
Delaware	No	Mississippi	Yes	South Carolina	No
Florida	Yes	Missouri	Yes	Tennessee	No
Georgia	Yes	Montana	No	Texas	Yes
Hawaii	Yes	Nebraska	No	Utah	Yes
Idaho	No	Nevada	Yes	Vermont	No
Illinois	Yes	New Hampshire	No	Virginia	Yes
Indiana	Yes	New Jersey	Yes	Washington	Yes
Iowa	No	New Mexico	Yes	West Virginia	No
Kansas	No	New York	Yes	Wisconsin	Yes
Kentucky	Yes	North Carolina	Yes	District of Columbia	Yes

*Source: American Association of Motor Vehicle Administrators*

<sup>1</sup> Kentucky just recently implemented this program in Jefferson County.

## **Implementing Online Registration Renewals Around the Country**

The State of Virginia implemented online registration renewals in May of 1999. Since Virginia's Department of Motor Vehicles has started this program, more people have utilized the service every month. For example, in June of 1999 more than 1,900 car registration renewals were performed and in August of 1999 this number more than doubled to nearly 5,000. During an interview with officials from Virginia, staff stated that their online registration renewal program has been a success. Virginia's DMV staff also added that there have been no major problems with the process. Furthermore, its staff noted that the cost of developing the online application was \$246,477, and that no additional staff was needed to implement online registration. Also, according to Virginia DMV staff, in the month of January 2002, there were 24,873 online renewals, which averaged out to about 802 per day (up almost 400% from August 1999). Seven percent of the vehicle renewals are performed online. Of all the renewals, 57% are completed by alternative ways, such as by mail, fax, touch tone phone, electronic transfer and online. The remaining 43% of the renewals are completed by motorists who come to the customer service office.

In Ohio, the cost of implementing online vehicle registration was minimal. In fact, during an interview with Ohio DMV staff, the Legislative Auditor was told that the cost was only a few thousand dollars. The reason for the minimal cost was because the service of accepting online registration renewals was contracted out to eGovNet an electronic government consultancy group. Furthermore, in Ohio the customer pays \$2.75 for the processing of any registration renewal. Of that \$2.75, the Ohio DMV pays eGovNet \$1.59. No additional staff was needed in order to implement online vehicle registration renewals. Lastly, Ohio averages around 20,000 online registration renewals per month, with over 250,000 transactions processed in 2001.

Alaska, a state with a population of only 625,932, logged more than 15,000 vehicle registration renewals online in 1998. This was about 10 percent of the state's total renewals for that year. Furthermore, the turnaround time for registration tags went from eight weeks to less than a week.

Jefferson County, Alabama began its online registration renewal process in order "to minimize the hassles of 11<sup>th</sup>-hour car-tag renewals." Its online renewal program is called The Express Lane, which is an extension of the county's JeffCo InTouch web site and Kiosk network. This system has the ability with a single credit-card transaction to allow users to renew up to 10 vehicle registrations at a time. Furthermore, it was noted that about 1,000 motorists renew their registrations online each month.

## **Citizen Usage of Online Registration Renewal**

It has been noted that after the first month online services become available, most state agencies see a significant increase in the number of citizens who use this service. For example, the Florida Department of Highway Safety and Motor Vehicles processed less than 300 online registration renewals in its first month of operation. A few months later, the number of monthly

transactions grew to over 6,000. Furthermore, yearly totals in Michigan rose from 69,229 in fiscal year 1999 to nearly 148,000 in fiscal year 2000. As shown in Table 4, online renewal in the listed states is used by a percentage range of 1.7% to 17%.

<b>Table 4 Online Renewal Usage Statistics</b>			
<b>State</b>	<b>Date Implemented</b>	<b>Average Number Per Month</b>	<b>Percent of the Total</b>
Arizona	11/01/1997	34,800	17%
Massachusetts	1/01/1996	27,927	14%
New Jersey	3/01/2000	38,275	12%
Indiana	3/01/1998	12,000	9%
Arkansas	1/01/1999	12,000	8%
Virginia	5/18/1999	21,948	6%
Nevada	5/01/2000	4,049	4%
Louisiana	7/01/1999	2,087	4%
Utah	9/01/2000	5,000	4%
Maryland	2/01/2000	5,500	4%
Ohio	10/01/2000	20,000	2%
Wisconsin	1/01/1997	5,000	1.7%
<i>Source: Oregon Department of Transportation eGovernment Survey</i>			

Table 5 shows that the cost per transaction for online renewals is significantly lower than the transaction cost for in-person renewals. The difference in transaction costs range from \$2.50 to \$6.83. The lower transaction costs for online renewals could translate into total cost savings as its use expands and resources are reduced for in-person renewals. Mail-in renewals may have a lower transaction cost than online registration initially. However, as online renewals expand and mail-in renewals decline, online could eventually have the lowest transaction cost of all methods of renewing registrations.

<b>Table 5 Registration In-Person and Online Processing Costs Per Transaction</b>			
<b>State</b>	<b>Renewing in Person</b>	<b>Renewing Online</b>	<b>Difference</b>
Alaska	\$7.74	\$0.91	\$6.83
Pennsylvania	\$7.00	\$1.00	\$6.00
Arizona	\$6.60	\$1.60	\$5.00
Virginia	\$5.00	\$2.50	\$2.50
<b>Average</b>			<b>\$5.08</b>

**Online Registration in West Virginia**

West Virginia DMV staff indicated that they support the idea of allowing citizens to renew their vehicle registrations online. In fact, the Division stated to the Legislative Auditor that it was working with the Department of Transportation and the Governor’s Office of Technology on this project. In addition, DMV staff indicated that this project was moving forward as a pilot project in Nicholas and Wayne counties. The Office of State Treasurer is also capable of assisting the Division with online registrations. In a letter to the Legislative Auditor's Office shown in Appendix B, the Treasurer's Office stated that:

*We are continuing to work with many state agencies and higher education to expand the use of the Internet to accept payments due the state. Our statement of purpose is to provide better services to the citizens of West Virginia through accepting payments for state agencies that wish to use the Internet or other electronic payment method.*

According to *Governing* magazine, 42.8% of West Virginia households have a computer with 34.3% of West Virginia households having internet access. These numbers are certain to grow in the future. Thus, online registration could be a convenience for a significant percentage of the population.

Furthermore, while no startup costs could be estimated, DMV staff indicated to the Legislative Auditor that the additional costs that would be included would be the development of the software, network administration, credit card discount fees and the realignment of resources to handle the Division’s part of online renewals. In addition, as briefly mentioned in Issue 1, one of the goals and objectives for the Division is to implement an integrated computer system with West Virginia counties for personal property tax payments by 2003. This system would be beneficial for the online registration program by having a centralized database to check property tax payments for vehicle registration renewal. Table 6 provides information on the start up costs for some states that

provide online vehicle registration renewals.

Louisiana	\$639,000
Virginia	\$246,477
Arizona	\$200,000
Texas	\$173,000
North Carolina	\$150,000
New Jersey	\$59,000
<i>Source: Oregon Department of Transportation eGovernment Survey</i>	

### **DMV Estimates of Online Renewals**

Transaction cost estimates of renewing a vehicle in person and through the mail were requested from DMV on June 5, 2002. The Division stated that it could not provide these numbers, because they did not have the staff to develop these records and keep them current. **The Legislative Auditor contends that the Division should have been able to provide these figures that show the Division's costs of doing business.** However, on August 16, 2002, the Division provided transaction cost estimates for walk-in renewals at a regional office; renewing by mail; renewing at a county sheriff's office, and renewing online. No overall startup costs were provided, but the startup cost for equipment would be \$60,000.

Table 7 shows the estimated transaction costs for different methods of registration renewals. **According to these estimates, the transaction cost for in-person renewals is \$4.73 and the transaction cost for online renewals would be \$2.37.** The difference between the two is \$2.36. It is not certain which renewal methods would be most affected by the availability of internet renewal. Renewals at a regional or sheriff's office involves a much higher cost to the consumer compared to online or mail-in renewals because of travel and waiting in line. Over time, online transaction costs should decrease as its use is expanded and the transaction costs of other methods would increase. With the addition of online renewals there should be a shift of personnel needs, and many tasks should become automated which could possibly reduce the need for personnel. **The Legislative Auditor maintains that with proper management the Division should see a significant decrease in over all costs by adding internet online renewals.**

**Table 7**  
**West Virginia DMV**  
**Estimated Renewal Transaction Costs**

	Transaction Cost	Current Percent of Total Renewals
In Person Renewals	\$4.96	20.60%
Renewals by Mail	\$1.43	39.87%
Renewals at Sheriffs Office*	\$1.40	39.53%
Internet Renewals	\$2.37	
<i>Source: DMV analysis.</i> * Does not include the Sheriff's Office processing costs or the additional \$1.00 charged by the Sheriff's Offices to the vehicle owner.		

## Conclusion

With the growth of electronic government and online transactions, the Legislative Auditor determines that West Virginia could potentially save money by providing citizens with the option to renew their vehicle registrations online. In addition, with West Virginia being a rural state, online registration would be convenient for citizens of the state. Thirty-one states currently provide the option to the residents of their states. While start up costs and the percentage of usage of the online option vary from state to state, there is a cost savings by citizens using the online option. In West Virginia, 34.3% of citizens have online access, which is sure to grow over the next few years. The Legislative Auditor finds that there would be a cost savings for West Virginia depending on the expansion of online renewals and proper management of resources. More importantly, the convenience and cost savings to the consumer would be significant.

## Recommendation 3

*The Legislative Auditor recommends that the Division should provide online vehicle registration renewals.*