

Executive Summary

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

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 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.

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.

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 they have a plan to implement a program 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. 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.

The state of Virginia has a similar plan contracted with the same vendor that West Virginia plans to use. The Virginia DMV currently serves 464 Virginia dealers which, in turn, amounts to 9% of all franchised dealers and 3% of all independent dealers. West Virginia's 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.

Issue 3: The Division of Motor Vehicles Should Consider Online Vehicle Registration Renewal.

With the growth of e-commerce and e-government, the Legislative Auditor believes that the DMV should look into the concept of enabling vehicle owners to renew their vehicle registration online through the internet. At the present time, 31 states and the District of Columbia allow motorists to renew their vehicle registration online. All five surrounding states currently allow their motorists to renew their registrations online.

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 fairly significant size 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.

Recommendations

1. *The Legislative Auditor recommends that the Legislature continue the Division of Motor Vehicles.*
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.*
3. *The Legislative Auditor recommends that the Division should provide online vehicle registration renewals.*