

Department of Transportation
Motor Vehicle

A.R.S. § 28-101

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Full Time Equivalent Positions	1,564.0	1,622.0	1,649.0	1,684.0
Motor Vehicle				
Subprograms				
Motor Vehicle Support Services	16,449,900	19,238,900	19,938,000	20,079,900
Customer Services	46,162,400	49,427,200	52,160,800	55,084,700
Motor Vehicle Enforcement Services	9,814,400	10,737,700	11,174,200	11,551,900
Attorney General Legal Services SLI	124,100	129,000	132,500	132,500
Abandoned Vehicle Administration SLI	413,600	431,700	465,200	478,100
Subprogram Subtotal	<u>10,352,100</u>	<u>11,298,400</u>	<u>11,771,900</u>	<u>12,162,500</u>
SUBTOTAL	72,964,400	79,964,500	83,870,700	87,327,100
Additional Appropriations -				
Trailers; Semitrailers; Permanent Registration, Ch. 154	0	0	180,000 ^{1/}	0
Fuel Taxes; Revisions, Ch. 287	0	0	5,000	5,000
Vehicles; Title and Registration, Ch. 325	<u>0</u>	<u>0</u>	<u>278,000</u> ^{2/}	<u>60,000</u> ^{2/}
TOTAL APPROPRIATIONS	72,964,400	79,964,500	84,333,700 ^{3/4/5/}	87,392,100 ^{3/4/5/}
FUND SOURCES				
State Highway Fund	70,326,300	76,779,900	81,056,500	84,042,000
Safety Enforcement and Transportation Infrastructure Fund	877,500	1,217,000	1,262,000	1,291,000
Motor Vehicle Liability Insurance Enforcement Fund	977,700	997,700	1,027,500	1,048,500
Vehicle Inspection and Title Enforcement Fund	<u>782,900</u>	<u>969,900</u>	<u>987,700</u>	<u>1,010,600</u>
Subtotal - Other Appropriated Funds	<u>72,964,400</u>	<u>79,964,500</u>	<u>84,333,700</u>	<u>87,392,100</u>
TOTAL APPROPRIATIONS	72,964,400	79,964,500	84,333,700	87,392,100

COST CENTER DESCRIPTION — *Motor Vehicle regulates vehicular operations within the state through the issuance and control of various permits, registrations and licenses.*

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Average office wait time (minutes)	30/29.1	15 to 20/14.9	15 to 20	15 to 20
• Average telephone wait time (minutes)	3.5/2.2	3/2	1.8	1.5/1.4
• % of business processed by third parties	15/18	20/31	26	28/30
• % of alternative renewal methods (mail, internet, third party)	70/68	75/66	67	68/69

^{1/} Pursuant to Laws 2001, Chapter 154, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

^{2/} Pursuant to Laws 2001, Chapter 325, this appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.

^{3/} General Appropriation Act funds are appropriated as a Lump Sum by Program.

^{4/} It is the intent of the Legislature that all monies appropriated for the Motor Vehicle Division field offices and electronic services are combined resources designed to improve consumer services and that the department should pursue increased efforts to further the utilization of electronic services (e-business transactions) to enhance customer services and create efficiencies, enhanced customer service, and security issues. (General Appropriation Act footnote)

^{5/} FY 2002 and FY 2003 include \$2,750,400 as a non-lapsing appropriation for the Motor Vehicle Division security enhancement issues and to replace and upgrade computer equipment. (General Appropriation Act footnote)

Operating Budget Issues

Motor Pool Equipment Rental Rate Increase — The approved amount includes a State Highway Fund increase of \$75,600 in both FY 2002 and FY 2003 above FY 2001 for a 6.1% increase in vehicle and heavy equipment rental rates by the ADOT motor pool. (*For more information see the Transportation Support Services Subprogram of the Administration Program.*)

Program Budget

Motor Vehicle Support Services Subprogram — This subprogram supports the program in areas such as personnel services, computer systems, financial management, rule making, and public information. The subprogram also includes an executive hearing office to hear customer appeals. The subprogram is funded from the State Highway Fund.

Rent — The approved amount includes a State Highway Fund decrease of \$(810,500) in both FY 2002 and FY 2003 from FY 2001 for rent at ADOT's East Washington Street facility, which is being transferred to the Administration program in order to better align this function with ADOT's structure.

Customer Services Subprogram — This subprogram operates information call centers, conducts medical reviews of drivers, issues driver licenses, vehicle registrations, and related permits, and collects driver and vehicle fees and taxes at field offices statewide, by electronic means, and through the use of third parties. The subprogram is funded from the State Highway Fund and from the Motor Vehicle Liability Insurance Enforcement Fund.

Workload — The approved amount includes a FY 2002 State Highway Fund increase of \$777,400 and 24 customer service FTE Positions above FY 2001 and a FY 2003 State Highway Fund increase of \$1,745,900 and 59 FTE Positions above FY 2001 for population and workload increases. The Arizona Department of Transportation (ADOT) reports that its average customer wait time in Motor Vehicle field offices has improved from 29.1 minutes in FY 1999, to 14.9 minutes in FY 2000. The department is expected to maintain the statewide customer wait time average in Motor Vehicle field offices at between 15 and 20 minutes.

Computer Projects — The approved amount includes a FY 2002 State Highway Fund increase of \$950,000 and 3 FTE Positions above FY 2001 and a FY 2003 State Highway Fund increase of \$929,200 and 3 FTE Positions above FY 2001 for special computer projects. The FY 2003 increase is lower due to the elimination of one-time equipment.

Reclassifications — The approved amount includes a FY 2002 State Highway Fund increase of \$500,000 above FY 2001 and a FY 2003 State Highway Fund increase of \$1,000,000 above FY 2001 for employee reclassifications in the program. These increases are in addition to the 5% statewide salary adjustments scheduled for April 1, 2002 and 2003.

Motor Vehicle Enforcement Services Subprogram — This subprogram enforces commercial vehicle size, weight, licensing, permit and tax laws through port of entry operations, mobile enforcement units, and joint task forces with other agencies. This subprogram is also concerned with hazardous material compliance and with recovering stolen vehicles. The subprogram is funded from the State Highway Fund, from the Safety Enforcement and Transportation Infrastructure Fund, and from the Vehicle Inspection and Title Enforcement Fund.

Port of Entry Scales — The approved amount includes a FY 2002 State Highway Fund increase of \$65,000 above FY 2001 and a FY 2003 State Highway Fund increase of \$85,000 above FY 2001 for the improved maintenance of truck scales at the Ports of Entry.

Attorney General Legal Services Special Line Item — Monies in this line item allow the Attorney General to provide legal services to the program. The line item is funded from the State Highway Fund.

Abandoned Vehicle Administration Special Line Item — Monies in this line item provide for administrative functions concerning abandoned vehicles including maintaining records, mailing notices, and paying towing fees for vehicles on public land. The line item is funded from the State Highway Fund.

Additional Appropriations: Trailers; Semitrailers; Permanent Registration (Chapter 154) — Makes a non-lapsing appropriation of \$180,000 from the State Highway Fund to the department in FY 2002 to establish one-time registration and vehicle license tax fees for trailers or semitrailers exceeding 10,000 pounds gross vehicle weight.

Fuel Taxes; Revisions (Chapter 287) — Appropriates \$5,000 in both FY 2002 and FY 2003 from the State Highway Fund to the department to provide use fuel dispenser labels for fuel vendors to post diesel tax information on fuel pumps.

Vehicles; Title and Registration (Chapter 325) — Makes non-lapsing appropriations of \$277,950 in FY 2002 and \$60,000 in FY 2003 from the State Highway Fund to the department to implement this act, effective August 9, 2001. The bill requires the department to issue vehicle certificates of title with a lien interest to the lien holder, instead of to the vehicle owner, for retention until the lien is satisfied beginning January 1, 2003. The bill provides

that the vehicle title would be issued directly to the vehicle owner if there is no lien or encumbrance, and requires a lienholder to deliver title to the owner or lienholder next in line upon final payment. Currently, vehicle titles are issued to vehicle owners. If a lien exists, the lien information is recorded on the title. Upon satisfaction of the lien, the vehicle owner is given a "lien release" from the lienholder and may then apply to the department for a clear vehicle title.

Chapter 325 also requires the department to establish a system allowing the voluntary recording of title and lien information by eligible financial institutions through electronic media instead of paper documentation. After 12 months of operation, the bill requires a written report on the department's experiences with the system to the Speaker of the House of Representatives, the President of the Senate and the Governor within 90 days. If the department determines that the system is successful after the initial 12 months of operation, the department may expand the system. If the department expands the system, the department must make a written report on the department's experiences with the expanded system to the same offices by October 1, 2006.

Additional Legislation: Motorcycle Safety Fund: Establishment (Chapter 316) — Establishes the Motorcycle Safety Fund, subject to legislative appropriation, for motorcycle safety, education and awareness programs. Diverts \$1 of each motorcycle registration from the State Highway Fund to the Motorcycle Safety Fund through June 30, 2005. Monies in the Motorcycle Safety Fund are exempt from lapsing, except that monies deposited from the \$1 registration exceeding \$150,000 revert to the State Highway Fund. The bill does not make an appropriation.

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