



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: April 27, 2017

Subject: Amendment to Article 4 – Relating to Division of Motor Vehicles

The Governor requests that Article 4, entitled Relating to Division of Motor Vehicles, be amended to direct the proposed continuation of the \$1.50 technology surcharge fee on motor vehicle transactions from the Division of Motor Vehicles' Registry Technology restricted receipt account to the Information Technology Investment Fund. The funding derived from the surcharge would continue to be used for project-related payments and/or ongoing maintenance of, and enhancements to, the Division of Motor Vehicles' computer system (RIMS). The amendments requested are shown below:

Page 69, Lines 9 – 11 delete, replace and add:

Delete: "a division of motor vehicles registry technology restricted receipt account and shall be used for debt service,"

Replace with: "the information technology investment fund established pursuant to 42-11-2.5 and shall be used for"

Add: "and to reimburse the information technology investment fund for advances made to cover project-related payments."

A copy of the revised article is attached. This amendment will allow the recent \$5.5 million settlement with DXC Technology (formerly Hewlett-Packard Enterprise) and the outstanding contracted cost of \$1.5 million for development of the RIMS to be funded from the Information Technology Investment Fund, which would be repaid from the \$1.50 per transaction technology

surcharge fee over the next several years. Ongoing maintenance and enhancements to the RIMS and other technology needs of the DMV would also be funded from the Information Technology Investment Fund until the surcharge expires.

If you have any questions regarding this amendment, please feel free to contact me (222-6300).

TAM: 18-Amend-14
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Jane Cole, Chief Financial Officer, Department of Revenue
Gregory Stack, Supervising Budget Analyst
Kimberly Reynolds, Senior Budget Analyst

ARTICLE 4

RELATING TO DIVISION OF MOTOR VEHICLES

SECTION 1. Chapter 31-2 of the General Laws entitled "Division of Motor Vehicles" is hereby amended by adding thereto the following section:

31-2-27 Technology surcharge fee.-- (a) The division of motor vehicles shall collect a technology surcharge fee of one dollar and fifty cents (\$1.50) per transaction for every division of motor vehicles fee transaction, except as otherwise provided by law. All technology surcharge fees collected pursuant to this section shall be deposited into the information technology investment fund established pursuant to 42-11-2.5 and shall be used for project-related payments and/or ongoing maintenance of and enhancements to the division of motor vehicles' computer system and to reimburse the information technology investment fund for advances made to cover project-related payments.

(b) Authorization to collect the technology surcharge fee provided for in subsection (a) shall sunset and expire on June 30, 2022.

SECTION 2. Section 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" is hereby amended to read as follows:

31-3-33 Renewal of registration. (a) Application for renewal of a vehicle registration shall be made by the owner on a proper application form and by payment of the registration fee for the vehicle as provided by law.

(b) The division of motor vehicles may receive applications for renewal of registration, and may grant the renewal and issue new registration cards and plates at any time prior to expiration of registration.

(c) Upon renewal, owners will be issued a renewal sticker for each registration plate that shall be placed at the bottom, right-hand corner of the plate. Owners shall be issued a new, fully reflective plate beginning April 1, ~~2017~~ 2018, at the time of initial registration or at the renewal of an existing registration and reissuance will be conducted no less than every ten (10) years.

SECTION 3. Section 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

39-18.1-5 Allocation of funds.-- (a) The monies in the highway maintenance ~~fund~~ account to be directed to the department of transportation pursuant to ~~subdivision (a)(1) of this section~~ this chapter shall be allocated through the transportation improvement program process to provide the state match for federal transportation funds, in place of borrowing, as approved by the state planning council. The expenditure of moneys in the highway maintenance fund shall only be authorized for projects that appear in the state's transportation improvement program.

(b) Provided however, that beginning with fiscal year 2015 and annually thereafter, the department of transportation will allocate necessary funding to programs that are designed to eliminate structural deficiencies of the state's bridge, road and maintenance systems and infrastructure.

(c) Provided further that beginning July 1, 2015, five percent (5%) of available proceeds in the Rhode Island highway maintenance account shall be allocated annually to the Rhode Island public transit authority for operating expenditures.

(d) Provided further that beginning July 1, 2017, one half of one percent (0.5%) of available proceeds in the Rhode Island highway maintenance account shall be allocated annually to the division of motor vehicles for operating expenditures.

SECTION 4. This article shall take effect as of July 1, 2017.