

**Department of Revenue
Legislation Fact Sheet**

**HB 09-1271
Concerning the Operation of the Motor Vehicle Titling System
Rep. Labuda
Sen. Heath**

This bill will ensure the continued operation of the state's motor vehicle titling system.

By recording all motor vehicle transactions, the titling system is an essential tool in the smooth functioning of the state's economy. In 2007, this system processed 10.4 million transactions and ensured the collection of \$1 billion in ownership taxes, registration fees, and other state, county, city and local taxes and fees.

The Department of Revenue is seeking a 60-cent-per-registration fee to continue support of this program. While the Department has improved the program efficiency by reducing wait times for customers, operational funding has not been changed since 2001. At current funding levels, the program faces a 25 percent budget shortfall by mid-2010. If funding is not approved, the Department will cut staffing and services at the end of this year.

Among the services that would be discontinued:

- Training and system support for county motor-vehicle offices.
- Audits of title applications submitted by counties. Currently 134,300 applications are processed each month.
- Mail-in record search requests. Currently 65,000 are requested each year.
- Mail-in record history requests. Currently 16,300 are requested each year; 95 percent are provided within one hour.
- Telephone query services. Currently, 14,000 calls are answered.

Without a functioning titling system, all other programs that depend on fee collection from titles and registration are in jeopardy.

The Department respectfully requests support of this modest fee to guarantee

- Continued customer service to counties, dealers and the public.
- Smooth functioning of a key economic sector.
- Compliance with state law requiring a statewide database of motor vehicle title and registration transactions