

MOTOR VEHICLE DIVISION FEE AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: Julie Fisher

LONG TITLE

Committee Note:

The Transportation Interim Committee recommended this bill.

General Description:

This bill amends provisions relating to revenue collected from certain Motor Vehicle Division fees.

Highlighted Provisions:

This bill:

- ▶ provides that certain license plate fees shall be established in accordance with certain requirements rather than established in statute and provides for the disposition of those fees;
- ▶ provides that funds available to the Tax Commission for the purchase and distribution of license plates and decals are nonlapsing;
- ▶ creates the Electronic Payment Fee Restricted Account and provides that funds in the account are nonlapsing;
- ▶ provides that certain Motor Vehicle Division fees collected to cover the costs of electronic payments shall be deposited in the Electronic Payment Fee Restricted Account; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None



28 **Other Special Clauses:**

29 This bill takes effect on July 1, 2011.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **41-1a-1201**, as last amended by Laws of Utah 2010, Chapters 295 and 391

33 **41-1a-1211**, as last amended by Laws of Utah 2009, Chapters 183 and 348

34 **41-1a-1221**, as last amended by Laws of Utah 2010, Chapter 391

35 **41-3-604**, as last amended by Laws of Utah 2010, Chapter 391

36 **41-22-36**, as last amended by Laws of Utah 2010, Chapter 391

37 **63J-1-602.2**, as enacted by Laws of Utah 2010, Chapter 265 and last amended by
38 Coordination Clause, Laws of Utah 2010, Chapter 265

39 **72-2-118**, as last amended by Laws of Utah 2010, Chapter 391

40 **72-2-124**, as last amended by Laws of Utah 2010, Chapter 391

41 **73-18-25**, as last amended by Laws of Utah 2010, Chapter 391

42 ENACTS:

43 **41-1a-121**, Utah Code Annotated 1953

43a **H→ Uncodified Material Affected:**

43b **ENACTS UNCODIFIED MATERIAL ←H**



45 *Be it enacted by the Legislature of the state of Utah:*

46 Section 1. Section **41-1a-121** is enacted to read:

47 **41-1a-121. Electronic Payment Fee Restricted Account.**

48 (1) As used in this section, "account" means the Electronic Payment Fee Restricted
49 Account created by this section.

50 (2) There is created within the General Fund a restricted account known as the
51 Electronic Payment Fee Restricted Account.

52 (3) (a) The account shall be funded from the fees imposed and collected under Sections
53 41-1a-1221, 41-3-604, 41-22-36, and 73-18-25.

54 (b) The fees described in Subsection (3)(a) shall be paid to the division, which shall
55 deposit them in the account.

56 (4) The Legislature shall appropriate the funds in the account to the commission to
57 cover the costs of electronic payments.

58 (5) In accordance with Section 63J-1-602.2, appropriations made to the division from

59 the account are nonlapsing.

60 Section 2. Section **41-1a-1201** is amended to read:

61 **41-1a-1201. Disposition of fees.**

62 (1) All fees received and collected under this part shall be transmitted daily to the state
63 treasurer.

64 (2) Except as provided in Subsections (3), ~~[(5)] (6)~~, and ~~[(6)] (7)~~ and Sections
65 41-1a-422, 41-1a-1220, 41-1a-1221, and 41-1a-1223 all fees collected under this part shall be
66 deposited in the Transportation Fund.

67 (3) ~~[(a)]~~ Funds generated under Subsections 41-1a-1211(1)(b)~~[(†)](ii)~~, (6)(b)~~[(†)](ii)~~,
68 and (7) and Section 41-1a-1212 may be used by the commission ~~[as a dedicated credit]~~ to cover
69 the costs incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

70 ~~[(b) Fees for statehood centennial license plates shall be collected and deposited in the
71 Transportation Fund, less production and administrative costs incurred by the commission.]~~

72 (4) In accordance with Section 63J-1-602.2, all funds available to the commission for
73 the purchase and distribution of license plates and decals are nonlapsing.

74 ~~[(4)] (5)~~ Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of
75 the commission in enforcing and administering this part shall be provided for by legislative
76 appropriation from the revenues of the Transportation Fund.

77 ~~[(5)] (6)~~ (a) Except as provided in Subsection ~~[(5)] (6)~~(b), the following portions of the
78 registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited in the
79 Centennial Highway Fund Restricted Account created under Section 72-2-118:

80 (i) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (2),
81 and (5);

82 (ii) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i),
83 (1)(c)(ii), and (1)(d)(ii);

84 (iii) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

85 (iv) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and

86 (v) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

87 (b) When the highway general obligation bonds have been paid off and the highway
88 projects completed that are intended to be paid from revenues deposited in the Centennial

89 Highway Fund Restricted Account as determined by the Executive Appropriations Committee

90 under Subsection 72-2-118(6)(d), the portions of the registration fees deposited under
91 Subsection ~~[(5)]~~ (6)(a) for each vehicle shall be deposited in the Transportation Investment
92 Fund of 2005 created by Section 72-2-124.

93 ~~[(6)]~~ (7) The following portions of the registration fees imposed under Section
94 41-1a-1206 for each vehicle shall be deposited in the Transportation Investment Fund of 2005
95 created by Section 72-2-124:

96 (a) \$20 of each registration fee collected under Subsections 41-1a-1206(1)(a), (1)(b),
97 (1)(c), (1)(d)(i), (1)(e)(i), (2)(a), and (5); and

98 (b) 50 cents of each registration fee collected under Subsection 41-1a-1206(1)(e)(ii).
99 Section 3. Section **41-1a-1211** is amended to read:

100 **41-1a-1211. License plate fees -- Application fees for issuance and renewal of**
101 **personalized and special group license plates -- Replacement fee for license plates --**
102 **Postage fees.**

103 (1) (a) Except as provided in Subsections (11) and (12), a license plate fee ~~[of \$5 per~~
104 ~~set]~~ established in accordance with Section 63J-1-504 shall be paid to the division for the
105 issuance of any new license plate under Part 4, License Plates and Registration Indicia.

106 (b) The license plate fee shall be deposited as follows:

107 ~~[(i) \$4 as provided in Section 41-1a-1201; and]~~

108 ~~[(ii) (i) \$1 in the Transportation Fund[-]; and~~

109 ~~(ii) the remainder of the fee charged under Subsection (1)(a), as provided in Section~~
110 ~~41-1a-1201.~~

111 (2) An applicant for original issuance of personalized license plates issued under
112 Section 41-1a-410 shall pay a \$50 per set license plate application fee in addition to the fee
113 required in Subsection (1).

114 (3) Beginning July 1, 2003, a person who applies for a special group license plate shall
115 pay a \$5 fee for the original set of license plates in addition to the fee required under
116 Subsection (1).

117 (4) An applicant for original issuance of personalized special group license plates shall
118 pay the license plate application fees required in Subsection (2) in addition to the license plate
119 fees and license plate application fees established under Subsections (1) and (3).

120 (5) An applicant for renewal of personalized license plates issued under Section

121 41-1a-410 shall pay a \$10 per set application fee.

122 (6) (a) ~~[A fee of \$5 shall be paid to the division]~~ The division may charge a fee
123 established under Section 63J-1-504 to recover the costs for the replacement of any license
124 plate issued under Part 4, License Plates and Registration Indicia.

125 (b) The license plate fee shall be deposited as follows:

126 ~~[(i) \$4 as provided in Section 41-1a-1201; and]~~

127 ~~[(ii) (i) \$1 in the Transportation Fund[-]; and]~~

128 (ii) the remainder of the fee charged under Subsection (6)(a), as provided in Section
129 41-1a-1201.

130 (7) The division may charge a fee established under Section 63J-1-504 to recover its
131 costs for the replacement of decals issued under Section 41-1a-418.

132 (8) The division may charge a fee established under Section 63J-1-504 to recover the
133 cost of issuing stickers under Section 41-1a-416.

134 (9) In addition to any other fees required by this section, the division shall assess a fee
135 established under Section 63J-1-504 to cover postage expenses if new or replacement license
136 plates are mailed to the applicant.

137 (10) The fees required under this section are separate from and in addition to
138 registration fees required under Section 41-1a-1206.

139 (11) (a) An applicant for a license plate issued under Section 41-1a-407 is not subject
140 to the license plate fee under Subsection (1).

141 (b) An applicant for a Purple Heart special group license plate issued in accordance
142 with Section 41-1a-421 is exempt from the fees under Subsections (1), (3), and (7).

143 (12) A person is exempt from the fee under Subsection (1) or (6) if the person:

144 (a) was issued a clean fuel special group license plate in accordance with Section
145 41-1a-418 prior to the effective date of rules made by the Department of Transportation under
146 Subsection 41-6a-702(5)(b);

147 (b) beginning on the effective date of rules made by the Department of Transportation
148 authorized under Subsection 41-6a-702(5)(b), is no longer eligible for a clean fuel special
149 group license plate under the rules made by the Department of Transportation; and

150 (c) upon renewal or reissuance, is required to replace the clean fuel special group
151 license plate with a new license plate.

152 (13) Until June 30, 2011, a person is exempt from the license plate fee under
153 Subsection (1) or (6) if the person:

154 (a) was issued a firefighter recognition special group license plate in accordance with
155 Section 41-1a-418 prior to July 1, 2009;

156 (b) upon renewal of the person's vehicle registration on or after July 1, 2009, is not a
157 contributor to the Firefighter Support Restricted Account as required under Section 41-1a-418;
158 and

159 (c) is required to replace the firefighter special group license plate with a new license
160 plate in accordance with Section 41-1a-418.

161 Section 4. Section **41-1a-1221** is amended to read:

162 **41-1a-1221. Fees to cover the cost of electronic payments.**

163 (1) As used in this section:

164 (a) "Electronic payment" means use of any form of payment processed through
165 electronic means, including credit cards, debit cards, and automatic clearinghouse transactions.

166 (b) "Electronic payment fee" means the fee assessed to defray:

167 (i) the charge, discount fee, or processing fee charged by credit card companies or
168 processing agents to process an electronic payment; or

169 (ii) costs associated with the purchase of equipment necessary for processing electronic
170 payments.

171 (2) (a) The Motor Vehicle Division may collect an electronic payment fee on all
172 registrations and renewals of registration under Subsections 41-1a-1206(1)(a), (1)(b), and (2).

173 (b) The fee described in Subsection (2)(a):

174 (i) shall be imposed regardless of the method of payment for a particular transaction;
175 and

176 (ii) need not be separately identified from the fees imposed for registration and
177 renewals of registration under Subsections 41-1a-1206(1)(a), (1)(b), and (2).

178 (3) The division shall establish the fee according to the procedures and requirements of
179 Section 63J-1-504.

180 (4) A fee imposed under this section:

181 (a) shall be ~~used by the division as a dedicated credit to cover the costs of electronic~~
182 ~~payments~~ deposited in the Electronic Payment Fee Restricted Account created by Section

183 41-1a-121; and

184 (b) is not subject to Subsection 63J-2-202(2).

185 Section 5. Section **41-3-604** is amended to read:

186 **41-3-604. Fee to cover the cost of electronic payments.**

187 (1) As used in this section:

188 (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

189 (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

190 (2) (a) The division may collect a fee to cover the cost of electronic payments on the

191 following transactions:

192 (i) each purchase or renewal of a license under Section 41-3-202;

193 (ii) each purchase of a book of temporary permits under Section 41-3-302;

194 (iii) each penalty issued for a delinquent temporary permit under Section 41-3-302;

195 (iv) each purchase of an in-transit permit under Section 41-3-305;

196 (v) each purchase of a loaded demonstration permit under Section 41-3-502;

197 (vi) each purchase of a license plate under Section 41-3-503; and

198 (vii) each purchase of a salvage vehicle buyer license under Section 41-3-202.

199 (b) The fee described in Subsection (2)(a):

200 (i) shall be imposed regardless of the method of payment for a particular transaction;

201 and

202 (ii) need not be separately identified from the fees and penalty described in Subsections

203 (2)(a)(i) through (vii).

204 (3) The division shall establish the fee under Subsection (2)(a) according to the

205 procedures and requirements of Section 63J-1-504.

206 (4) A fee imposed under this section:

207 (a) shall be [~~used by the division as a dedicated credit to cover the costs of electronic~~
208 ~~payments~~] deposited in the Electronic Payment Fee Restricted Account created by Section

209 41-1a-121; and

210 (b) is not subject to Subsection 63J-2-202(2).

211 Section 6. Section **41-22-36** is amended to read:

212 **41-22-36. Fees to cover the costs of electronic payments.**

213 (1) As used in this section:

214 (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

215 (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

216 (2) (a) The Motor Vehicle Division may collect an electronic payment fee on all
217 registrations and renewals of registration under Section 41-22-8.

218 (b) The fee described in Subsection (2)(a) shall be imposed regardless of the method of
219 payment for a particular transaction.

220 (3) The division shall establish the fee according to the procedures and requirements of
221 Section 63J-1-504.

222 (4) A fee imposed under this section:

223 (a) shall be ~~used by the Motor Vehicle Division as a dedicated credit to cover the costs~~
224 ~~of electronic payments~~ deposited in the Electronic Payment Fee Restricted Account created by
225 Section 41-1a-121;

226 (b) is not subject to Subsection 63J-2-202(2); and

227 (c) need not be separately identified from the fees imposed on registrations and
228 renewals of registration under Section 41-22-8.

229 Section 7. Section **63J-1-602.2** is amended to read:

230 **63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.**

231 (1) Appropriations from the Technology Development Restricted Account created in
232 Section 31A-3-104.

233 (2) Appropriations from the Criminal Background Check Restricted Account created in
234 Section 31A-3-105.

235 (3) Appropriations from the Captive Insurance Restricted Account created in Section
236 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that
237 section free revenue.

238 (4) Appropriations from the Title Licensee Enforcement Restricted Account created in
239 Section 31A-23a-415.

240 (5) The fund for operating the state's Federal Health Care Tax Credit Program, as
241 provided in Section 31A-38-104.

242 (6) The Special Administrative Expense Account created in Section 35A-4-506.

243 (7) Funding for a new program or agency that is designated as nonlapsing under
244 Section 36-24-101.

245 (8) The Oil and Gas Conservation Account created in Section 40-6-14.5.

246 (9) The Off-Highway Access and Education Restricted Account created in Section
247 41-22-19.5.

248 (10) Funds available to the Tax Commission under Section 41-1a-1201 for the
249 purchase and distribution of license plates and decals.

250 (11) Appropriations from the Electronic Payment Fee Restricted Account created by
251 Section 41-1a-121 to the Motor Vehicle Division.

252 Section 8. Section **72-2-118** is amended to read:

253 **72-2-118. Centennial Highway Fund Restricted Account.**

254 (1) There is created a restricted account entitled the Centennial Highway Fund
255 Restricted Account within the Transportation Investment Fund of 2005 created by Section
256 72-2-124.

257 (2) The account consists of money generated from the following revenue sources:

258 (a) any voluntary contributions received for the construction, major reconstruction, or
259 major renovation of state or federal highways;

260 (b) appropriations made to the fund by the Legislature;

261 (c) registration fees designated under Subsection 41-1a-1201~~[(5)]~~(6)(a); and

262 (d) the sales and use tax amounts provided for in Section 59-12-103.

263 (3) (a) The account shall earn interest.

264 (b) All interest earned on account money shall be deposited into the account.

265 (4) The executive director may use account money, as prioritized by the Transportation
266 Commission, only to pay the costs of construction, major reconstruction, or major renovation
267 to state and federal highways.

268 (5) When the highway general obligation bonds have been paid off and the highway
269 projects completed that are intended to be paid from revenues deposited in the account as
270 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division
271 of Finance shall transfer any existing balance in the account into the Transportation Investment
272 Fund of 2005 created by Section 72-2-124.

273 (6) (a) The Division of Finance shall monitor the highway general obligation bonds
274 that are being paid from revenues deposited in the account.

275 (b) The department shall monitor the highway construction, major reconstruction, or

276 major renovation projects that are being paid from revenues deposited in the account.

277 (c) Upon request by the Executive Appropriations Committee of the Legislature:

278 (i) the Division of Finance shall report to the committee the status of all highway
279 general obligation bonds that are being paid from revenues deposited in the account; and

280 (ii) the department shall report to the committee the status of all highway construction,
281 major reconstruction, or major renovation projects that are being paid from revenues deposited
282 in the account.

283 (d) The Executive Appropriations Committee of the Legislature shall notify the State
284 Tax Commission, the department, and the Division of Finance when:

285 (i) all highway general obligation bonds that are intended to be paid from revenues
286 deposited in the account have been paid off; and

287 (ii) all highway projects that are intended to be paid from revenues deposited in the
288 account have been completed.

289 (7) (a) The Division of Finance shall, from funds that are deposited into the Centennial
290 Highway Fund Restricted Account, transfer into the Transportation Investment Fund of 2005
291 created by Section 72-2-124 the amount of funds certified by the Transportation Commission
292 in accordance with Subsection (7)(b) that are not required to pay:

293 (i) principal, interest, and issuance costs of bonds issued for projects in the Centennial
294 Highway Program in the current fiscal year; or

295 (ii) construction or reconstruction costs for projects in the Centennial Highway
296 Program in the current fiscal year.

297 (b) The Division of Finance shall transfer the amount under Subsection (7)(a) when the
298 Division of Finance receives a written letter from the Transportation Commission certifying the
299 amount of funds available under Subsection (7)(a).

300 Section 9. Section **72-2-124** is amended to read:

301 **72-2-124. Transportation Investment Fund of 2005.**

302 (1) There is created a special revenue fund entitled the Transportation Investment Fund
303 of 2005.

304 (2) The fund consists of money generated from the following sources:

305 (a) any voluntary contributions received for the maintenance, construction,
306 reconstruction, or renovation of state and federal highways;

307 (b) appropriations made to the fund by the Legislature;
308 (c) the sales and use tax revenues deposited into the fund in accordance with Section
309 59-12-103; and

310 (d) registration fees designated under Subsection 41-1a-1201[~~(6)~~](7).

311 (3) When the highway general obligation bonds have been paid off and the highway
312 projects completed that are intended to be paid from revenues deposited in the Centennial
313 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
314 under Subsection 72-2-118(6)(d), the fund shall also consist of money generated from the
315 following sources:

316 (a) registration fees designated under Subsection 41-1a-1201[~~(5)~~](6)(a); and

317 (b) the sales and use tax amounts provided for in Section 59-12-103.

318 (4) (a) The fund shall earn interest.

319 (b) All interest earned on fund money shall be deposited into the fund.

320 (5) (a) Except as provided in Subsection (5)(b), the executive director may use fund
321 money only to pay:

322 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
323 federal highways prioritized by the Transportation Commission through the prioritization
324 process for new transportation capacity projects adopted under Section 72-1-304;

325 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
326 projects described in Subsection 63B-18-401(2); and

327 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401.

328 (b) The executive director may use fund money to exchange for an equal or greater
329 amount of federal transportation funds to be used as provided in Subsection (5)(a).

330 (6) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal
331 year, the department and the commission shall appear before the Executive Appropriations
332 Committee of the Legislature and present the amount of bond proceeds that the department
333 needs to provide funding for the projects identified in Subsection 63B-18-401(2) for the next
334 fiscal year.

335 (b) The Executive Appropriations Committee of the Legislature shall review and
336 comment on the amount of bond proceeds needed to fund the projects.

337 (7) The Division of Finance shall, from money deposited into the fund, transfer the

338 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
339 Section 63B-18-401 in the current fiscal year to the appropriate debt service or sinking fund.

340 Section 10. Section **73-18-25** is amended to read:

341 **73-18-25. Fees to cover the costs of electronic payments.**

342 (1) As used in this section:

343 (a) "Electronic payment" has the same meaning as defined in Section 41-1a-1221.

344 (b) "Electronic payment fee" has the same meaning as defined in Section 41-1a-1221.

345 (2) (a) The Motor Vehicle Division may collect an electronic payment fee on all
346 registrations and renewals of registration under Section 73-18-7.

347 (b) The fee described under Subsection (2)(a) shall be imposed regardless of the
348 method of payment for a particular transaction.

349 (3) The Motor Vehicle Division shall establish the fee according to the procedures and
350 requirements of Section 63J-1-504.

351 (4) A fee imposed under this section:

352 (a) shall be ~~used by the Motor Vehicle Division as a dedicated credit to cover the costs~~
353 ~~of electronic payments] deposited in the Electronic Payment Fee Restricted Account created by~~
354 Section 41-1a-121;

355 (b) is not subject to Subsection 63J-2-202(2); and

356 (c) need not be separately identified from the fees imposed on registrations and
357 renewals of registration under Section 73-18-7.

357a **H→ Section 11. Intent language regarding lapsing of money.**

357b **It is the intent of the Legislature that money received by the Tax Commission during**
357c **fiscal year 2010-11 under the following sections shall be considered dedicated credits and in**
357d **closing out fiscal year 2010-11 the unspent dedicated credits shall lapse to the Electronic**
357e **Payment Fee Restricted Account created by Section 41-1a-121 in this bill:**

357f **(1) Section 41-1a-122;**

357g **(2) Section 41-3-604;**

357h **(3) Section 41-22-36; and**

357i **(4) Section 73-18-25. ←H**

358 Section **H→ [H] 12 ←H** . Effective date.

359 This bill takes effect on July 1, 2011.

FISCAL NOTE

S.B. 24, 2011 General Session

SHORT TITLE: Motor Vehicle Division Fee Amendments

SPONSOR: Van Tassell, K.

STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill shifts certain electronic payment fee revenue within the Division of Motor Vehicles and the Motor Vehicle Enforcement Division from Dedicated Credits to General Fund Restricted. The new fund and appropriations are authorized as nonlapsing. The bill also takes the value of the Tax Commission's portion of the license plate fee out of statute. Revenue from the license plate fee is authorized as nonlapsing. The fee would be subject to approval of the relevant appropriations subcommittee.

STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
Revenue:			
General Fund Restricted	\$0	\$6,886,300	\$7,574,900
Dedicated Credits	\$0	(\$6,886,300)	(\$7,574,900)
Total Revenue	\$0	\$0	\$0
Expenditure:			
General Fund Restricted	\$0	\$6,886,300	\$7,574,900
Dedicated Credits	\$0	(\$6,886,300)	(\$7,574,900)
Total Expenditure	\$0	\$0	\$0
Net Impact, All Funds (Rev.-Exp.)	\$0	\$0	\$0
Net Impact, General/Education Funds	\$0	\$0	\$0

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.