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Hon. William Cherry, *President*
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**PRESERVING LOCAL
DEPARTMENTS OF MOTOR VEHICLES**

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New York county clerks play an historic and important role as public servants. Along with the Sheriff and District Attorney, the county clerk is one of three county officials named in the State Constitution.

The role of the county clerk was established in the 1660's, under the Dongan Laws, which was an act of the British Crown to establish the original counties in the Colony of New York.

Over 350 years later, the role of the county clerk as the chief record and filing officer for the county has remained consistent, but their duties have grown much more complex with changes in population, technology, and the state's laws, policies and regulations.

In recent years, these county records managers and clerks of the court pushed for and achieved state legislation to allow for electronic filings and electronic land record filings to help residents and the government achieve recording efficiencies and ease of use.

Most county clerks now manage and operate local Departments of Motor Vehicles (DMV) Offices. This is not a function of the State Constitution or from county local law/resolution. Instead, the New York State Legislature, under Vehicle and Traffic Law § 205, requires county clerks in 51 counties to serve as agents of the State DMV Commissioner. Their functions include, but are not limited to, the registration of motor vehicles, motorcycles, snowmobiles, vessels and all-terrain vehicles, the issuance of license plates, processing certificates of title, the issuance of non-driver identification cards and drivers' licenses, and motor vehicle enforcement transactions.



In many ways, the county clerks are best positioned to operate DMV offices that serve the driving and identification needs of local residents. Clerks understand local needs and can respond in a timely manner. For example, clerks control the location and hours of operation of local DMV offices, mindful of taxpayer concerns and county demographics.

Under State law there is a fee sharing arrangement between the local DMV and the State which has not been adjusted since 1999. That arrangement pertains to all fees collected for work performed at county DMV offices by county employees. Currently, counties retain 12.7% of the fees collected for work performed at county DMV's by county employees, and remit 87.3% to the New York State general fund. This is for fee-only work and it is important to note there are many functions a county DMV employee performs that attach no fee. These services cost the county to perform (see table 2).

As more and more New Yorkers use the Internet to conduct their DMV transactions online, this funding imbalance between the state and counties has further widened. The State keeps approximately 98% of all online DMV transactions, and remits a minimal share to counties that operate DMVs. The main problem is that more difficult and time consuming transactions are done at the local DMV office, while simpler transactions are often done online. The result is that DMV offices operated by county clerks are doing the business that is more time and resource intensive, but their revenues are going down because the easier transactions are processed online, and the state receives nearly all of the fees. The result is that counties are competing against the state for fee-based business. In 2014-15 the State DMV generated \$1.3 billion in transactional fees, of which a surplus of \$942 million went to the State's general fund. In contrast, the 51 county DMV offices combined generated only \$39.7 million. This growing revenue gap will leave New Yorkers with more complicated DMV transactional needs but fewer places to go because local DMV offices cannot continue to operate under a business model that is seeing steady declines in revenue.

**RECOMMENDATIONS:
CREATE A
MORE EQUITABLE
FEE SHARING
ARRANGEMENT**



A bi-partisan bill S.4964(Richie)/A8201(Brindisi) would provide a more equitable fee sharing arrangement between the State and counties, without increasing user fees. The measure would increase the county fee share from 12.7% to 25%, and increase the county Internet transaction share to 8% (from around 2.5%). While the State would still obtain hundreds of millions of dollars more in this arrangement, the extra few millions to counties would allow county DMV offices to provide residents with essential services at the local level.

Revenue retention at county DMV offices

Total Projected State Revenue 2014-2015*	\$ 1,300,000,000
Total Projected State DMV Expense**	\$ 318,000,000
Total Revenue Sharing With Counties Projected***	\$ 39,764,000
Total Surplus to NYS	\$ 942,236,000
State Share as Percent of Total Revenue	24.46%
County Share as Percent of Total Revenue	3.06%
Surplus as Percent of Revenue	72.48%
Cost per 1 Point Increase in Retention Rate	\$ 3,131,000
Cost to Increase Retention to 25%	\$ 38,511,300
* from "FY 2015 Economic and Revenue Outlook" page330	\$ 3
** NYS Division of Budget- 2014-2015 Executive Budget- Agency Appropriations	
*** Estimate provided by NYS DMV to Internet Revenue Task Team	



LOCAL DMV TRANSACTIONS THAT GENERATE NO FEES

1. Clearing insurance lapses
2. Change of address
3. Duplicate licenses issued by state for undeliverable documents
4. Scheduling operator tests
5. Issuing plates back that were surrendered with credit remaining
6. PSD (official) plate issuance
7. Replacement decals for snowmobiles
8. Unconditional license issuance after time served
9. Terminal duplicate document
10. Collecting for bad checks throughout state
11. Collection of sales tax only
12. License compliance
13. Duplicate plate surrenders
14. Abstracts for government
15. Clearing of out of state tickets
16. No fee title (undelivered)
17. Some O/S plate surrenders
18. Corrections on registrations (change color, etc)
19. Name change on registrations/titles
20. Amendment to permits/licenses for name with previous record
21. Exempt ambulances
22. DDP enrollment with pre conviction conditional license
23. Voluntary surrender of license
24. Image capture only for professional licenses
25. Answering hundreds of phone calls each week since the NYSDMV no longer has a toll free question line



The New York State Association of Counties is a bipartisan municipal association serving the counties of New York State including the City of New York. Organized in 1925, NYSAC mission is to represent, educate and advocate for member counties and the thousands of elected and appointed county officials who serve the public.

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