

# 2010 Analysis of Agent and Subagent Fees



# 2010 Annual Analysis and Evaluation of Agent and Subagent Fees (RCW 46.01.325)

Prepared By: DOL, Programs and Services Division

## INTRODUCTION

Washington law RCW 46.01.325 requires the Director of the Department of Licensing (DOL) to prepare an annual comprehensive analysis and evaluation of agent and subagent fees. The law also requires the Director to make recommendations for agent and subagent fee revisions to the senate and house transportation committees by January 1<sup>st</sup> of every third year starting with 1996. Recommendations for fee revisions may be made more frequently when justified by the annual analysis and evaluation.

The next formal report to the Legislature is due January 1, 2011. An updated reporting schedule is provided in **Appendix 1**.

The annual fee analysis and evaluation report considers each of the following:

- **Relevant developments that may impact fees:** Unique and significant financial, legislative, or other relevant developments that may impact fees. There may be rollover impacts not included in this report from previous years which could currently impact fees.
- **Current funding for ongoing automation project costs:** Current funding for ongoing automation project costs affecting revenue collection and service delivery.
- **Appropriate sharing of costs:** Future system requirements including an appropriate sharing of costs between DOL, agents, and subagents.
- **Fee structure commensurate with quality performance standards:** A beneficial mix of customer service delivery options based on a fee structure commensurate with quality performance standards.
- **Appropriate indices projecting state and national growth:** Appropriate indices projecting state and national growth in business and economic conditions prepared by the U.S. Department of Commerce, the WA Department of Revenue, and the revenue forecast council for the state of Washington.

## RELEVANT DEVELOPMENTS THAT MAY IMPACT FEES

*(Unique and significant financial, legislative, or other relevant developments that may impact fees)*

During calendar year 2010, a number of developments required DOL to change work processes or to add new requirements to the work performed by agents and subagents. These changes affect the workload, transaction times, and transaction volumes in vehicle licensing offices. This report contains events that have happened since the last report for the period ending December 31, 2009. Historical information on relevant developments that may have impacted fees may be found in previous reports.

The state of the economy has also impacted both agents and subagents in terms of the number of new car registrations. The Washington State Economic and Revenue Forecast Report, released September 2010, addressed this issue. Although not directly tied to agent and subagent fees, the report does provide a significant development on the state's growth.

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An excerpt from the report:

Since the June 2010 forecast, the economic recovery has slowed to an agonizing crawl. May and June saw a pause in activity, and July brought little relief. Job growth remains anemic; housing is looking for a new bottom; and, despite some easing in credit conditions, small business continues to face a challenging credit environment. There is still considerable drag in the economy, little lift, and increased uncertainty. Revisions to historical data by the Bureau of Economic Analysis (BEA) reveal that consumer spending was lower and savings higher than announced earlier. Consequently, the economic outlook is now significantly weaker than it was in June.

The Washington recovery seems to have lost momentum in the summer months after strong growth in the spring. In the two months for which data are available since the June forecast, June and July, the private sector has added more than 6,000 jobs which is better than the national rate but still a little weaker than our last forecast. During the same period, however, state and local governments shed nearly 4,000 jobs, offsetting most of the private sector gains. Recent housing data are also disappointing. After reaching a post-recession high of 17,800 units (SAAR) in March 2010, single-family permits fell to 15,200 in April and 11,900 in May before partially recovering to 14,100 in June and 12,500 in July. Clearly, the earlier strength was mainly due to the federal home-buyer tax credits which had the effect of pulling significant activity forward in time.

Data revisions have also affected our view of the Washington economic recovery. Newly available employment data for the first quarter of 2010 show that Washington employment in March was about 18,000 (0.7%) lower than previously estimated. Our current estimate for overall personal income in the first quarter of 2010, however, is close to what we thought in June albeit with differences in the detail. Our estimates indicate that first quarter 2010 wages are lower than we knew in June but nonwage income, primarily dividend income, is higher.

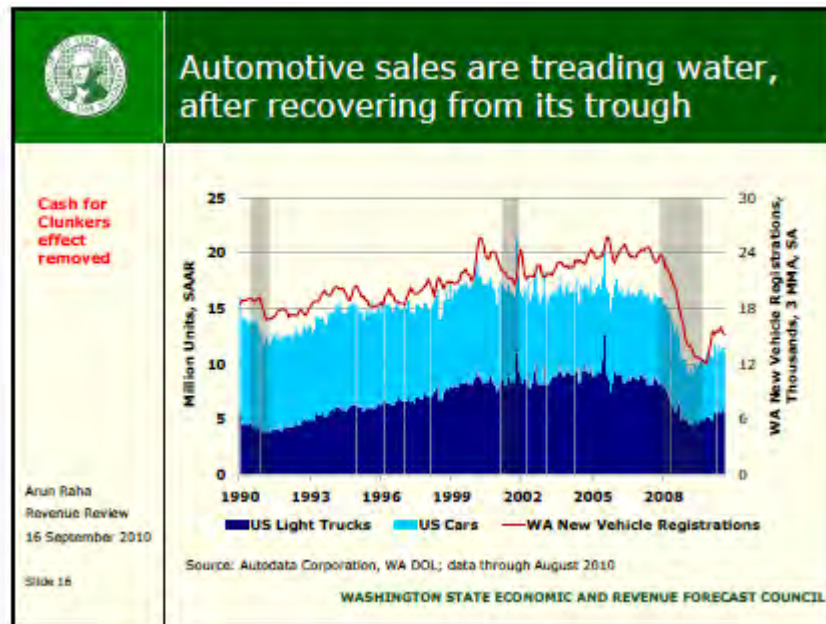
The following charts were compiled by the Economic and Revenue Forecast Council to provide insight into the current status of the vehicle industry. New vehicle registrations are still in a decline.

## Key U.S. Economic Variables

	2010						2008	2009
	Mar.	Apr.	May	Jun.	Jul.	Aug.		
New Vehicle Registrations (SA, 000)	14.0	16.1	16.3	15.7	14.5	15.1	19.0	14.0
	9.5%	25.5%	28.7%	22.5%	5.8%	-17.6%	-20.5%	-26.5%

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The September 2010 economic and revenue forecast in its entirety is located at: [www.erfc.wa.gov](http://www.erfc.wa.gov)

## **FEES**

Agents and subagents for vehicle and vessel licensing services collect fees on title and registration transactions. The purpose and amount of these fees are described below.

### **Agent Fees**

A vehicle licensing agent („agent“) is the county auditor’s office for each county in Washington State. DOL often refers to the agent fees as “filing” fees. Filing fees are provided to agents as compensation for their services related to the administration of vehicle and vessel title and registration services. The fees are generated by work performed in both agent and subagent offices. There has been no change in the agent fees since 1997. The fees remain at \$4.00 for certificates of ownership (titles) transactions and \$3.00 for registrations and other types of transactions. The fee structure breakdown is found in RCW 46.01.140 (4) (a) and (c).

### **Subagent Fees**

A vehicle licensing subagent („subagent“) is a private business recommended by a county auditor and appointed by the DOL Director to administer vehicle and vessel title and registration services. DOL refers to the fees distributed to subagents as “subagent fees”. Subagent fees are provided to subagents as compensation for their services related to the administration of vehicle and vessel title and registration services. The subagent fee structure was changed by legislation in 2010. The new fees are \$12.00 (\$2.00 increase) for transactions on certificates of ownership (titles) and \$5.00 (\$1.00 increase) for registrations and other types of non-title transactions.

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## **RELEVANT DEVELOPMENTS**

### **Legislative Developments (Appendix 2)**

There were 12 bills that affected vehicle licensing passed during the 2010 Legislative session. Four bills had no impact on the agents and subagents, although they did impact DOL's vehicle licensing program management and oversight responsibilities. Five bills impacted the agent or subagent's workload or transaction timing. A discussion of these bills follows:

#### **1. SHB 2429 – Resale of motor vehicles previously determined as having nonconformities**

RCW 19.118.061 is amended to include used vehicles under the lemon law. New and used vehicles that are considered lemons must be reported, and the new law requires that DOL create a brand for "WA non-conformity uncorrected." This change will increase workload and timing since the agents and subagents must review additional paperwork and make changes in the VFS.

#### **2. SHB 2436 – Vehicle license fraud**

RCW 46.16.010 is amended to increase the penalties for failure to register a vehicle in Washington and for licensing a vehicle in another state to evade paying taxes and fees in Washington. This law will not impact agent and subagent workload or transaction timing.

#### **3. HB 3179 – Local excise tax provisions for counties and cities**

RCW 2.14 (several sections) and RCW 9.46.113 are amended to allow cities to impose, with voter approval, the public safety sales and use tax at a rate not to exceed 0.1 percent. This law will impact agent and subagent's workload or transaction timing to enter additional fees into the VFS.

#### **4. SB 6207 – Allowing local governments to create golf cart zones**

RCW 46.04.320, RCW 46.04.670, RCW 46.16.020, RCW 46.61.687, RCW 46.37.010 are amended and new sections to chapter RCW 46.04 and RCW 46.08 are added to allow cities or counties to create golf cart zones where golf cart operators may drive on roadways posted at speeds of 25 mph or less. This bill does not impact agents and subagents workload or transaction timing.

#### **5. SSB 6346 – Expanding the use of certain electric vehicles**

RCW 46.04.295, RCW 46.61.723, and RCW 46.61.725 are amended to require DOL to classify neighborhood electric and medium-speed vehicles separately for reporting purposes. These electric vehicles can currently drive on roads up to 35 mph unless prohibited by local

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laws. This bill increases the speed limit to 45 mph in San Juan County only. This bill will impact agents and subagents' workload or transaction timing in determining what class the vehicle falls into.

## 6. **SB 6365 – Motor vehicle emission standards**

RCW 70.120A.010 is amended to add a new section to the California Emission law exempting motor vehicles purchased and used by a member of the armed services when they are stationed, by military order, outside of Washington from meeting California Emission requirements. This bill will impact agents and subagents' workload and transaction timing to review additional paperwork.

## 7. **SB 6379 – Streamlining and making technical corrections to vehicle and vessel registration and title provisions**

RCW 46.16 (multiple locations) are streamlined and technically corrected in response to Section 211 of ESHB 2878 (2008 Legislative session), which requires the department of licensing "to prepare draft legislation that streamlines Title and Registration statutes to specifically address apparent conflicts, fee distribution, and other relevant issues that are revenue neutral and which do not change legislative policy." This bill will have no impact on agents and subagents' workload and transaction timing.

## 8. **ESSB 6499 – Administration, collection, use, and enforcement of tolls**

RCW 47.56.010 is amended to require a new Washington State Department of Transportation (WSDOT) Central Tolling Agency (CTA) be created. The CTA will administer the assessment and collection of tolls for Tacoma Narrows Bridge, 520 bridge, and any newly creating tolling facilities. Once the CTA is established, unpaid tolls will be considered a "civil penalty" instead of a parking infraction. Civil penalties are equivalent to parking infractions and, if unpaid, can prevent a customer from renewing their vehicle registration. DOL and vehicle licensing offices will need to direct customers to CTA to make restitution for any "unpaid toll" civil penalty. This bill will impact agents and subagents' workload by directing customers to CTA to make restitution for any unpaid toll.

## 9. **SB 6826 – Subagent service fees**

RCW 46.01.140 is amended to increase the subagent fees from \$10.00 to \$12.00 for title transactions and \$4.00 to \$5.00 for registrations and other non-title type transactions. It also adds a new section that requires DOL to implement a redesign of the website to include a lookup function that will allow a person to enter his or her zip code and receive a listing of licensing offices in order of proximity to that zip code. This bill will have no impact on agents and subagents' workload and transaction timing.

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## 10. HB 2339 – State Parks donation (2009)

This law requires DOL to collect a voluntary donation of \$5.00 from every vehicle registered under RCW 46.16.0621 and RCW 46.16.070 with a declared gross weight of 10,000 pounds or less unless the registered owner opts out of the donation program. This bill will continue to impact agents and subagents' workload and transaction timing due to customers' questions about the donation.

ESSB 5902 – Promoting accessible communities for persons with disabilities, and SB 6476 – Sex Crimes Involving Minors, affect vehicle licensing but were not included above because they do not involve agents or subagents. SSB 6816 – Concerning special permitting for farm implements, was also not included as it requires DOL to provide a report on the subject to the legislature before any other determinations are made.

## Non-Legislative Developments

1. DOL now provides agents and subagents with continuous access through the Department's VFS intranet to aid them in providing improved customer service. It has pertinent DOL related information such as policies, forms, and updated agent/subagent directory, past and present training booklet documents, and VFS security training. This site also links to other agencies such as WSP, Ecology, Department of Revenue, and the State Legislature for both bill and RCW/WAC research. This site is continuously being expanded. The expectation is that this access will reduce the agents and subagents' workload and timing by providing the ability to do their own research instead of calling headquarters.
2. DOL provided agents and subagents access to the Vehicle/Vessel Imaging System to improve customer service and reduce the number of calls they need to make to Vehicle and Vessel Operations (headquarters). DOL made this change to reduce their workload and timing by performing their own research instead of referring questions to headquarters.
3. DOL provided agents and subagents step-by-step instructions on how to use the Vitalchek/LexisNexis credit/debit card program (credit card over the counter). This will allow them to have instant access to solutions for any question they might have. This will reduce phone calls or emails to DOL, saving the agents and subagents processing time.
4. DOL prepared a mailbox index to the electronic VFS operating guide (E-guide) as a working reference for the agents and subagents that have questions on specific transaction types. Having the ability to review the mailboxes increases efficiency, reduces workload, and reduces timing for the agents and subagents.
5. DOL posted training booklets (created for project implementation or legislation changes) on the E-guide for easy reference. Having the ability to review the training material themselves increases their efficiency, and reduces workload and timing for the agents and subagents.

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6. DOL created a new policy to assist agents and subagents in training and certification of vehicle field system operators. This change will increase agents and subagents' efficiency and reduce timing since staff will be current with changes in the laws, rules, policies, and procedures on completing vehicle licensing and titling transactions. This will help reduce their workload and decrease timing.
7. DOL is reviewing VFS retention schedule requirements to address reports no longer used and reduce retention requirements where applicable. This will reduce the workload for agents and subagents.
8. DOL is sending weekly updates via mailbox to inform offices of system related issues, reporting their status, and when they are scheduled to be fixed. This information can prevent back-outs and other VFS problems which reduce the workload and decrease timing for agents and subagents.
9. DOL has been mandated to take five furlough days between July and December 2010. This action has reduced the support available to the agents and subagents thus potentially impacting their workload.
10. DOL gave approval for subagents to maintain State Parks donation fee override reports in their offices rather than incur postage costs to mail them to the county auditors. This will reduce the subagents' workload, timing, and expenses by not having to place the work into envelopes.
11. DOL developed a list of vessel data by owner name and made it available to the agents and subagents on the VFS intranet website.
12. DOL sent out press releases and posted updated notices on the agency website, blog, and Facebook page notifying customers that vessel renewal notices will no longer be mailed out.

## **Other Significant Developments**

The current economic crisis in Washington State has led to creative innovations to improve licensing services for citizens. DOL has implemented a more convenient way for the public to complete an interactive Internet transaction for vehicle registrations. Accordingly, the number of internet transactions has grown while the number of in-person transactions completed in agent and subagent offices has declined. It appears this trend is continuing.

## **License Plates Developments (Appendix 3)**

There have been no new specialized plates approved during the reporting period. The Washington State Legislators have a moratorium on any new specialized plates until July 2011.

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The number and letter combination (e.g., 123-ABC) for license plates was exhausted in early 2010. To compensate for this, DOL deployed a new personalized plate and new passenger plate configuration. The combination for passenger vehicles was three numbers followed by three alpha characters (letters). Working with law enforcement agencies, DOL developed the new configuration of three alpha characters (letters) followed by four numbers. This combination provides the maximum number of letter/number combinations over the next several years.

Because personalized license plates cannot have the same number/letter combination as standard issue license plates, the three letters plus four numbers configuration will no longer be used for personalized license plates. There are 347 active personalized license plates with this design. DOL will allow owners to keep them; however, if customers give them up at any time, they will no longer be allowed or issued.

## **Transaction Timings Study**

DOL last conducted an analysis of transaction timings in agent and subagent offices through an independent consultant in 2006. The reports submitted by the consultant identified opportunities for change to improve overall transaction processing times. No agent or subagent analysis of transaction timing is planned in the near future.

## **Current Funding for Ongoing Automation Project Costs**

*(Current funding for ongoing automation project costs affecting revenue collection and service delivery)*

### **Background**

A licensing service fee of \$0.75 is collected on all vehicle and vessel registration transactions. The revenue from this fee is distributed to DOL through the Licensing Services Account (\$0.50), and the License Plate Technology Account (\$0.25). Revenue distributed to the Licensing Services Account contributes to ongoing technology infrastructure costs for revenue collection and service delivery by licensing agents and subagents. More specifically, the revenue distributed to this account,

*“...must be used for agent and subagent support, which is to include but not be limited to the replacement of department-owned equipment in the possession of agents and subagents.”* (RCW 46.01.140 (4)(e)(i))

RCW 46.68.220 further specifies:

*“Expenditures from the account may be used only for information and service delivery systems for the department, and for reimbursement of county licensing activities.”*

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Revenue distributed to the License Plate Technology Account does not support licensing agents and subagents. RCW 46.16.685 states that:

*“Expenditures from this account must support current and future license plate technology and systems integration upgrades for both the department [DOL] and correctional industries...[or] may be used to reimburse the motor vehicle account for any appropriation made to implement the digital license plate system.”*

## Costs

The technology infrastructure costs for revenue collection and service delivery by licensing agents and subagents are impacted by changes in workload, transaction times and transaction volumes, as well as workload or infrastructure costs for DOL.

## Increased Costs

Continuing to have the greatest impact on agent and subagent fees are the complexities related to the collection of fees and taxes for titling and registering motor vehicles and vessels.

Following are examples of the impacts on the agent and subagent workloads and timings:

- The state economic recession: The decrease in local, county, and state revenues lead to creative ways to find funding for transportation improvements as well as funding other programs. It also has led to a decrease in the number of new vehicle sales and the corresponding decrease in titling and registration fees.
- The creation of Transportation Benefit Districts: County and local entities are using DOL to collect fees and taxes to improve transportation projects within their areas. This creates an additional workload for the agents and subagents due to answering question posed by the citizens as to why a fee was imposed and collected.
- Creation of scale weight fees or of high volume areas fees and taxes: This creates additional workload for DOL and the agents and subagents. Agents and subagents are the front line to answer questions posed by the citizens. DOL must continually modify the VFS to be able to calculate, record, and dispense the fees and taxes collected.
- Implementation of local motor vehicle taxes: Increased the DOL workload for revenue collection by requiring integration of data needed to identify taxing district boundaries. This also required DOL to identify vehicles subject to the local taxes and correctly calculate the amount of tax due.

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- Implementation of vehicle and vessel renewal transactions via the Internet: Increased ongoing DOL workload to change the computer system used by licensing agents and subagents. Additional workload and other resources are necessary for:
  - Developing and maintaining additional applications.
  - Increased design and testing requirements for computer programming changes (such as those made necessary by revisions to fees, taxes, or related policies).
- Authorization from DOL for agents to volunteer to process quick titles: A quick title is a title printed in the office on demand when specific criteria are met. There are currently seven agent offices who offer quick title services. Additional time is required to handle this type of transaction.

## **Examples of impacts not caused by a specific development:**

- Revisions and additions to fees and taxes: Created costs for agents and subagents from additional transaction times needed to explain changes to customers.
- Increases to transaction times and transaction volumes: Increased infrastructure and workload for DOL by creating a need for installation of additional Vehicle Field System (VFS) workstations.

## **Decreased Costs**

Increases in the efficiency of titling and registration fees and taxes have the greatest impact on decreasing technology infrastructure costs. Below are relevant developments that exemplify how this increased efficiency decreases costs.

## **Examples of impacts caused by a specific development:**

- DOL implemented the new credit/debit card program in May 2010. Agents and subagents now have the option of accepting credit and debit cards in their offices.

## **Examples of impacts not caused by a specific development:**

- DOL is reviewing VFS retention schedule requirements to address reports no longer used and reduce retention requirements where applicable.
- DOL created a new Vehicle Services policy and procedure to assist agents and subagents in training new staff.

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## **APPROPRIATE SHARING OF COSTS**

*(Future system requirements including an appropriate sharing of costs between DOL, agents, and subagents)*

### **DOL Costs**

DOL provides the technology infrastructure needed to collect and distribute revenue and accurately record vehicle and vessel titling and registration data. This includes all equipment and supplies for the VFS workstations and network, various databases, the VFS, Internet applications, and numerous interfaces with other entities and systems that rely on DOL data (e.g., the Washington State Patrol ACCESS network). DOL also funds the on-going training associated with operating this technology infrastructure, and for changes in operating procedures.

DOL provides the agents and subagents with required inventory (license plates, tabs, decals, temporary permits, disabled parking placards, etc.) and forms (applications for certificate of ownership, dealer temporary permits, affidavits of inheritance, certificates of name change, change of address, etc.).

DOL notifies vehicle and vessel owners that their annual renewal fees are due and provides the amount to facilitate mail-in renewals (required by RCW 46.01.230 (4)). Renewal notices are also used to notify vehicle owners that an emission test is required (RCW 46.16.015 (3)) or to tell them they have unpaid parking tickets (RCW 46.16.216).

### **Agent and Subagent Costs**

Agents and subagents pay the costs for their office space, employees, signage, advertising, bonds, and insurance. Employee costs include all required initial employee training, and all on-going employee training not related to DOL operating systems and procedures; as well as (in most cases) medical benefits, and/or retirement benefits.

## **FEE STRUCTURE COMMENSURATE WITH QUALITY PERFORMANCE STANDARDS**

*(A beneficial mix of customer service delivery options based on a fee structure commensurate with quality performance standards)*

### **Fee Structure**

The overall fee structure for agents and subagents is determined by the legislature. Under current law, an additional fee is charged for service delivery provided by subagents. The specific fee structure for each transaction is determined by service delivery option, and whether it is conducted by either an agent or subagent. A filing fee is due on all transactions. When transactions are processed at a subagent office, an additional service fee is due. The additional service fee is also charged for Internet transactions that are picked up at or mailed from a

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subagent office. Agents receive fees resulting from transactions processed in both agent and subagent offices.

## Service Delivery Options

- Over-the-counter service is available in 178 vehicle licensing offices, including 39 county offices and 139 subagent offices. Offices are located in all 39 counties and most counties have additional subagent offices in multiple locations. 71 subagent offices have “extended” business hours that include being open after 5:00 p.m. on weekdays, and 100 offices are open on Saturdays.
- Customers have the option of mailing their renewal notice to any office for processing. The renewal notices are pre-printed with the county vehicle licensing office address.
- Vehicle and vessel registration renewals can be processed on-line via DOL’s website. Customers can have their new tabs and registration mailed to them or can choose an office for pick-up.
- Customers can complete a vehicle report of sale or change their address on-line.
- Customers can download the most commonly used forms from the Internet for different types of transactions (e.g., title transfers). They can then complete the form and submit it by mail rather than going to an office.

## Performance Standards

Performance standards are included in the contracts between DOL and agents, and between agents and subagents, as required by RCW 46.01.140. In addition, DOL conducts periodic customer satisfaction surveys. In May 2010 DOL conducted another satisfaction survey with agents and subagents where 8% (99) individuals participated. The results showed DOL continues to maintain a high level of customer satisfaction with vehicle licensing services with an 80% satisfaction rate.

## **APPROPRIATE INDICES PROJECTING STATE AND NATIONAL GROWTH METHODOLOGY**

*(Appropriate indices projecting state and national growth in business and economic conditions prepared by the U. S. Department of Commerce, the WA Department of Revenue, and the revenue forecast council for the state of Washington)*

## Background

RCW 46.01.325 requires the use of indices prepared by the United States Department of Commerce (Commerce), the Washington Department of Revenue (DOR) and the Revenue Forecast Council (RFC) to forecast state and national growth in business and economic conditions. Indices for state and local government consumption are compiled by Commerce on a historical basis only. Neither DOR nor RFC forecast these variables.

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## Indices Description

The RFC forecasts state growth for the current biennium and the ensuing biennium quarterly, using a model of the national economy from Global Insight as a basis for the Washington economy. Global Insight tracks and forecasts the Commerce's indices for state and local government consumption. These indices are updated monthly and forecast out four years. On an annual basis, the indices are forecast out twenty-five years. The two indices used are (1) "State & Local Consumption, Wages & Salaries" and (2) "State & Local Consumption, Other".

## Composite Index

Since 1993, DOL has used a composite index of these two series. The "wage and salary" component is weighted eighty percent and the "other" component is weighted twenty percent. The results of the calculations are then summed to yield the composite index. In addition, to better address the question of the how the indexed fee changed since the last fee increase, this year the index value was set to one for the year the last fee increase occurred for agents and subagents, respectively.

The Global Insight and Commerce indices for State & Local Consumption do not share the same titles. The comparable indices are as follows: for GI, "Wages & Salaries" and "Other", and for Commerce, "Compensation of General Government Employees" and "Intermediate Goods and Services Purchased", respectively. Indices were decided upon as comparable based on a comparison of historical values.

## Fee Comparison (Appendix 4)

The fees and indexed fees for the agents and subagents are compared below:

### Agent Fees (2010):

- Current fees: \$3.00 (non-title) and \$4.00 (title)
- Indexed fees: \$3.59 (non-title) and \$5.38 (title)
- The indexed non-title fee has exceeded the current fee from 2004-present.
- The indexed title fee has exceeded the current fee from 2001-present.

### Subagent Fees (2010):

- Current fees: \$5.00 (non-title) and \$12.00 (title)
- Indexed fees: \$4.16 (non-title) and \$10.17 (title)
- The indexed non-title fee does not exceed the current fee in 2010.
- The indexed title fee does not exceed the current fee in 2010

*For the full agent and subagent indexed fee chart, see **Appendix 4: Agent and Subagent Indexed Fees***

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## **CONCLUSION**

### **Background**

This report presents a comprehensive analysis and evaluation of agent and subagent fees since the last fee increases were implemented in 1997 (for agents) and in 2010 (for subagents).

### **Findings**

Since the last fee increases, this report finds that relevant developments both increased and decreased the workload, transaction time, and transaction volume for agents and subagents. These relevant developments also increased and decreased service delivery and revenue collection costs for agents, subagents, and DOL. This report did not quantify specific impacts from the relevant developments.

This report indicates that DOL and the agents and subagents continue to have an appropriate arrangement for the sharing of costs, and that quality performance measures continue to indicate a high level of satisfaction with vehicle licensing services.

The analysis in this report on the indices projecting state and national growth support a fee increase for agents. The analysis of the indices, however, does not support a fee increase for subagents.

## **RECOMMENDATIONS**

DOL does not recommend any change to the current agent or subagent fee structure at this time. However, during calendar year 2011, DOL intends to continue to review the need for fee increases and will review the current business model in place to deliver licensing services through agents and subagents to determine if fee increases should be proposed for consideration during the 2012 Legislative session, or if changes to the current business model should be considered.

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## Appendix 1: Reporting Schedule 2006-2015

REPORT FOR CALENDAR YEAR	LEGISLATIVE DUE DATE
2006	N/A
2007*	January 1, 2008
2008	N/A
2009	N/A
2010*	January 1, 2011
2011	N/A
2012	N/A
2013*	January 1, 2014
2014	N/A
2015	N/A

Legislative due date set only for years requiring a report with recommendations. No due date in statute regarding off-year reports. (RCW 46.01.325)

\*Report is required to include recommendations for agent and subagent fee revisions.  
(RCW 46.01.325)

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## Appendix 2: Relevant Developments

### Workload, Transaction Time, and Transaction Volume Impacts Since Last Fee Increase Agents and Subagents

Office Type	Development Type	Impact Type	Impact Change	Impact	Implementation Date	Authorization	Reference
Agent	Legislative	All	Increase	Creation of 3 new specialized license plates authorized by the Legislature -- <i>see special plate appendix</i>	varies	legislative action - varies	see special plate appendix
Both	Legislative	Trans Time	Increase	Required distribution of stickers and brochures warning of inhalation of carbon monoxide (teak surfing, etc.) to vessel owners at registration or title transfer	1-Jan-07	SB 6364 (C 140 L 06)	RCW 88.02.250 and 88.02.260
Both	Other	Workload & Trans Time	Increase	HP 3000 Replatform	1-Mar-07	I.S. Directive - end of life of current server environment	N/A
Both	Legislative	Workload & Trans Time	Increase	Authority to allow personalized special plates	30-Sep-07	ESSB 5423 (C 210 L 05)	RCW 46.16.601
Both	Legislative	Workload & Trans Time	Increase	Increase in personalized plate fees	1-Jan-08	2SSB 5188 (C 246 L 07)	RCW 46.16.601
Both	Legislative	Workload & Trans Time	Increase	State Park Donation	1-Jan-09	SHB 2275	RCW 46.16.070 and 46.16.0621
Both	Legislative	Workload & Trans Time	Increase	Intrastate Commercial Vehicle Safety Implementation	15-Mar-09	HB1304	RCW 46.25.010 (13)
Both	Legislative	Workload & Trans Time	Increase	State Park Donations	1-Jul-09	SHB 2339	RCW 46.16.076
Both	Legislative	Workload & Trans Time	Increase	Relating to title and registration requirements for kit vehicles	26-Jul-09	SB 5719	RCW 46.12.440 and 46.16.680

## 2010 Annual Analysis and Evaluation of Agent and Subagent Fees (RCW 46.01.325)

*Prepared By: DOL, Programs and Services Division*

Office Type	Development Type	Impact Type	Impact Change	Impact	Implementation Date	Authorization	Reference
Both	Legislative	Workload & Trans Time	Increase	Relating to two-wheeled and three-wheeled vehicles	26-Jul-09	SB 5482	RCW 46.04.304, 46.04.330, and 46.04.336
Both	Legislative	Workload & Trans Time	Increase	Modifying Motor Vehicle Warranty Provisions	26-Jul-09	SHB 1215	RCW 19.118
Both	Legislative	Workload & Trans Time	Increase	Addressing vehicle registrations for deployed military personnel	26-Jul-09	HB 1478	RCW 46.16.006, 46.16, and 82.44 WAC 308-96A-300
Both	Legislative	Workload & Trans Time	Increase	Addressing motor carrier regulation and compliance review.	26-Jul-09	HB 1843	RCW 46 (Multiple Locations)
Both	Legislative	Workload & Trans Time	Increase	The resale of motor vehicles previously determined as having nonconformities	10-Jun-10	HB 2429	RCW 19.118.061
Both	Legislative	Workload & Trans Time	Increase	Expanding the use of certain electric vehicles	10-Jun-10	SB 6346	RCW 46 (Multiple Locations)
Both	Legislative	Workload & Trans Time	Increase	Motor vehicle emission standards	10-Jun-10	SB 6365	RCW 70.120A.010
	Legislative	Workload & Trans Time	Increase	Streamlining and making technical corrections to vehicle and vessel registration and title provisions	1-Sep-11	SB 6379	RCW 46 (Multiple Locations)
Both	Legislative	Workload & Trans Time	Increase	The administration, collection, use, and enforcement of tolls	10-Jun-10	SB 6499	RCW 46 (Multiple Locations)

# 2010 Annual Analysis and Evaluation of Agent and Subagent Fees (RCW 46.01.325)

*Prepared By: DOL, Programs and Services Division*

## Appendix 3: Special Plates

List of Special Plates Implemented 1996-2010

**Note: All special plate fees referenced in RCW 46.16.313**

Fee Impact	Plate	Implementation Date	Authorization	Reference (RCW)
Agent	Helping Kids Speak	1-Nov-04	SSB 6688	46.16.30903, 46.16.30904
Agent	Washington State Law Enforcement Memorial	1-Jan-05	SSB 6148	46.16.30905, 46.16.30906
Agent	Professional Fire Fighters and Paramedics	1-Jan-05	SHB 2910	46.16.30901, 46.16.30902
Both	Armed Forces Plate Collection (6 plates)	1-Jan-06	SHB 1065	46.16.30920, 46.16.30921
Both	Keep Kids Safe	1-Jan-06	SHB 1097	46.16.30913
Both	Ski & Ride	1-Jan-06	SHB 1116	46.16.30922, 46.16.30923
Both	Wild on Washington	1-Jan-06	SHB 1216	46.16.30924, 46.16.30925
Both	Endangered Wildlife	1-Jan-06	SHB 1218	46.16.30926, 46.16.30927
Both	Share the Road	1-Jan-06	HB 1254	46.16.30928, 46.16.30929
Both	Washington's Wildlife Plate Collection (3 plates)	1-Jan-06	SSB 5230	46.16.30907, 46.16.30908
Both	WA State Parks & Recreation Commission	1-Jan-06	SSB 5316	46.16.30909, 46.16.30910
Both	Washington Lighthouses	1-Jan-06	SB 5424	46.16.30911, 46.16.30912
Both	Washington's National Park Fund	1-Jan-06	SSB 5832	46.16.30918, 46.16.30919
Both	Gonzaga University Alumni Association	1-Jan-06	SB 5833	46.16.30916, 46.16.30917
Both	We Love Our Pets	1-Jan-06	SB 5977	46.16.30914, 46.16.30915
Both	Gold Star Parent	1-Jan-09	SSB6678	46.16.305, 46.16.309

*No new plates since 2009 due to legislative moratorium*

# 2010 Annual Analysis and Evaluation of Agent and Subagent Fees (RCW 46.01.325)

*Prepared By: DOL, Programs and Services Division*

## Appendix 4a: Agent Indexed Fees

**County Auditor fees based on cost to the Auditor from adjustments by the Implicit Price Deflator (IPD) Index**

Labor & Capital								
Calendar Year	Index Value	Year-to-Year Change	Current Fee		Indexed Fee		Difference	
			Non	Title	Non	Title	Non	Title
1996	97.6938	2.80%	\$2.00	\$3.00	\$2.35	\$3.52	\$(0.35)	\$(0.52)
1997	100	2.36%	\$3.00	\$4.00	\$2.40	\$3.61	\$0.60	\$0.39
1998	102.3005	2.30%	\$3.00	\$4.00	\$2.46	\$3.69	\$0.54	\$0.31
1999	106.2517	3.86%	\$3.00	\$4.00	\$2.55	\$3.83	\$0.45	\$0.17
2000	110.0969	3.62%	\$3.00	\$4.00	\$2.65	\$3.97	\$0.35	\$0.03
2001	114.7554	4.23%	\$3.00	\$4.00	\$2.76	\$4.14	\$0.24	\$(0.14)
2002	118.7347	3.47%	\$3.00	\$4.00	\$2.85	\$4.28	\$0.15	\$(0.28)
2003	124.7178	5.04%	\$3.00	\$4.00	\$3.00	\$4.50	\$0.00	\$(0.50)
2004	129.3	3.67%	\$3.00	\$4.00	\$3.11	\$4.66	\$(0.11)	\$(0.66)
2005	134.8341	4.28%	\$3.00	\$4.00	\$3.24	\$4.86	\$(0.24)	\$(0.86)
2006	140.2725	4.03%	\$3.00	\$4.00	\$3.37	\$5.06	\$(0.37)	\$(1.06)
2007	146.3239	4.31%	\$3.00	\$4.00	\$3.52	\$5.28	\$(0.52)	\$(1.28)
2008	151.6873	3.67%	\$3.00	\$4.00	\$3.65	\$5.47	\$(0.65)	\$(1.47)
2009	155.3214	2.40%	\$3.00	\$4.00	\$3.73	\$5.60	\$(0.73)	\$(1.60)
2010	159.9701	2.99%	\$3.00	\$4.00	\$3.85	\$5.77	\$(0.85)	\$(1.77)
2011	162.7827	1.76%	\$3.00	\$4.00	\$3.91	\$5.87	\$(0.91)	\$(1.87)
2012	165.777	1.84%	\$3.00	\$4.00	\$3.99	\$5.98	\$(0.99)	\$(1.98)
2013	169.0498	1.97%	\$3.00	\$4.00	\$4.06	\$6.10	\$(1.06)	\$(2.10)
2014	172.6776	2.15%	\$3.00	\$4.00	\$4.15	\$6.23	\$(1.15)	\$(2.23)

# 2010 Annual Analysis and Evaluation of Agent and Subagent Fees (RCW 46.01.325)

*Prepared By: DOL, Programs and Services Division*

## Appendix 4b: Subagent Indexed Fees

**Subagent Fees based on cost to the Subagent from adjustments by the Implicit Price Deflator (IPD) index**

Labor & Capital								
Calendar Year	Index Value	Year-to-Year Change	Current Fee		Indexed Fee		Difference	
			Non	Title	Non	Title	Non	Title
1996	61.4	2.80%	\$2.25	\$5.50	\$2.54	\$6.21	(\$0.29)	(\$0.71)
1997	62.8	2.36%	\$3.00	\$7.50	\$2.60	\$6.36	\$0.40	\$1.14
1998	64.3	2.30%	\$3.00	\$7.50	\$2.66	\$6.50	\$0.34	\$1.00
1999	66.8	3.86%	\$3.00	\$7.50	\$2.76	\$6.75	\$0.24	\$0.75
2000	69.2	3.62%	\$3.00	\$7.50	\$2.86	\$7.00	\$0.14	\$0.50
2001	72.1	4.23%	\$3.50	\$8.50	\$2.98	\$7.29	\$0.52	\$1.21
2002	74.6	3.47%	\$3.50	\$8.50	\$3.09	\$7.55	\$0.41	\$0.95
2003	78.4	5.04%	\$3.50	\$8.50	\$3.24	\$7.93	\$0.26	\$0.57
2004	81.2	3.67%	\$3.50	\$8.50	\$3.36	\$8.22	\$0.14	\$0.28
2005	84.7	4.28%	\$4.00	\$10.00	\$3.51	\$8.57	\$0.49	\$1.43
2006	88.1	4.03%	\$4.00	\$10.00	\$3.65	\$8.92	\$0.35	\$1.08
2007	91.9	4.31%	\$4.00	\$10.00	\$3.80	\$9.30	\$0.20	\$0.70
2008	95.3	3.67%	\$4.00	\$10.00	\$3.94	\$9.64	\$0.06	\$0.36
2009	97.6	2.40%	\$4.00	\$10.00	\$4.04	\$9.87	(\$0.04)	\$0.13
2010	100.0	2.47%	\$5.00	\$12.00	\$4.14	\$10.12	\$0.86	\$1.88
2011	101.8	1.76%	\$5.00	\$12.00	\$4.21	\$10.29	\$0.79	\$1.71
2012	103.6	1.84%	\$5.00	\$12.00	\$4.29	\$10.48	\$0.71	\$1.52
2013	105.7	1.97%	\$5.00	\$12.00	\$4.37	\$10.69	\$0.63	\$1.31
2014	107.9	2.15%	\$5.00	\$12.00	\$4.47	\$10.92	\$0.53	\$1.08