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Deputy Registrar Sub-Committee Minutes September 21, 2009

Jeffrey Coleman, Assistant Registrar, Ohio Bureau of Motor Vehicles called the meeting to order at 3:05pm. He stated the sub-committee meeting is being tape recorded and asked for everyone to speak up while talking. He turned the floor over to Tony Leo, Project Manager, Ohio Department of Public Safety. Justin Long began with the roll call of the attending members.

All were in attendance: Jeffrey Coleman, Assistant Registrar, Ohio Bureau of Motor Vehicles, who sat in for the Acting Registrar, Carolyn Williams; John Guldin, Associate Legal Counsel, Department of Public Safety; Aldo Filippelli, President, Ohio Deputy Registrars Association; Noreen Saunders, President, Ohio Clerk of Courts Association; Elise Spriggs, Attorney at Law, Senator Tom Patton's aide Tim Lynch, 128th Ohio General Assembly, Ohio Senate, 24th District.

Mr. Leo asked the attending audience to introduce themselves; Elizabeth Sammons with the Ohio Rehabilitation Service Commission (ORSC); Rachel Eaton, Acting Administrator, Ohio Bureau of Motor Vehicles; Cheryl Brickman, BMV Controller; Justin Long, Strategic Planner, Ohio Bureau of Motor Vehicle; and Tonia Fitros, Policy and Legislative Affairs, Ohio Department of Public Safety.

Ms. Brickman started by reviewing a chart of fees and fines that was an action item from the last sub-committee meeting. She described some of the transactions, the O.R.C. code associated with the transactions, the existing fees/fines, fee changes (if any), where the funds are distributed, what agency receives the funds and the fund title. She presented some examples to help the sub-committee understand the chart.

Ms. Brickman also went over the license fee distribution as it relates to Fund 7051 (O.R.C. section 4501.04). She explained that the license fees collected from the sale of license plates during a month (minus the \$11.00 Highway Safety Fund) are distributed to the counties, municipalities and townships the following month. The license revenue portion is distributed minus the BMV's reduction of the vehicle registration revenue for administrative cost plus interest posted to the fund in the following manner:

- 34% to the district
- 47% to the county
- 9% to the county road mileage compared to State road mileage,
- 5% to the township road mileage compared to State road mileage, and
- 5% equally distributed among the counties.

She said there is permissive tax calculated by county, municipality or township and could be up to \$20.00. Permissive tax gets distributed in a different way. She said it is not an easy process because Ohio has over 2300 taxing districts.

Mission Statement

"to save lives, reduce injuries and economic loss, to administer Ohio's motor vehicle laws and to preserve the safety and well being of all citizens with the most cost-effective and service-oriented methods available."

Ms. Brickman went on to explain to the sub-committee some of the BMV fee's in the chart.

Mr. Filippelli thanked her and told her how helpful the fee distribution breakout will be to the deputies and customers.

Ms. Brickman clarified that all the money collected for the vehicle registrations go back to the entity with one exception. As part of the budget bill, if the BMV is short in their revenue for the main operating account, then they can submit a plan to Office of Budget and Management (OBM) and state the amount they are short in funding. This is an administrative cost that generally runs \$2.1 million per month. Ms. Brickman will distribute the permissive tax information to the sub-committee.

Mr. Filippelli said his goal is trying to ease the process of asking questions to the customer. An important quest for him is to find a way to make a more general approach or get customer answers such as a yes or no. The first question he has an issue with is "Are your driving privileges now suspended or revoked or cancelled or otherwise disqualified or subject to an out of service order in this State or any other State?" They ask that question on the driver license side and on the vehicle registrations side. When answered yes to that question it asks for the date and type of offense. He suggests stopping the questioning after the yes or no answer. That makes the deputy uncomfortable and they may not get the answer or they may not be truthful.

Mr. Guldin said the questions are provided by the deputy registrar field services. Mr. Guldin said if the customer answers yes to the question, there are no follow up questions to ask because they can not be issued a driver license.

Mr. Filippelli said on the vehicle registration side if one answers yes to the above question, it then asks for details. He suggests trying to avoid those details. He said sometimes the less known the easier it is and those questions cause an uncomfortable situation for the customer and deputy.

Mr. Filippelli continued to go over the list of questions. He also has concerns asking questions about: pending citations in other States, being chemically dependent on alcohol or drugs, having a condition which causes episode impairments and having physical or mental conditions. He doesn't see the importance of those questions and sees them as tough questions to ask. He would like to either see the questions eliminated, made into yes or no questions or to allow the customer to decline answering.

Mr. Coleman recommends at some point in the process to make a statement about the four questions mentioned above. He suggested having a statement for the customer to check a box next to any of the above that apply to them. He said the customer can not get to the processing point until the statement is read and signed.

Mr. Filippelli has concerns with the question that asks the customer if they are chemically dependant. He asked where the line is drawn for daily medications taken by the customer.

Mr. Guldin replied that the question is referring to drug abuse and that should be easily explained.

Ms. Eaton said we can take those back to the office for review. She also stated the sub-committee must keep in mind that there is a liability concern with issuing a driver license without asking the proper questions. She said there may be an easier way to ask those and they will be reviewed.

Mr. Guldin said his office received subpoenas from attorney's who are suing because of epilepsy or a series of seizures before an accident. The person had lost consciousness, crossed over the center line and killed two or three people. The attorneys asked for the application to see how they answered that question.

Mr. Guldin said it is uncomfortable to ask some questions but some questions have been softened from what the law states. He gave some examples of how the BMV softened some questions.

Mr. Filippelli said if the customer answered yes to having a physical condition, there are too many things that keep one from moving forward. The driver license is processed then some type of report is sent to the BMV stating that this individual has this situation. A letter is then sent to the applicant, this is not a simple process.

Mr. Guldin clarified the system allows the deputy registrar to issue the license and the report gets sent but if there is a question about a physical condition that impairs the ability to drive, then a form gets sent to the applicant requiring to be filled out by their physician. He said this whole process does not slow down the deputy registrar. The deputy can still issue the license and then it is all taken care of behind the scenes.

On the driver license application handout, all of the underlined questions are asked of all driver license applicants. All other questions are asked of adult (over 18 years of age) driver license applicants only.

Mr. Filippelli continued with his understanding of the importance of raising money for charitable organizations, but he is hoping for the elimination of asking for donations. He suggests giving the customer the opportunity to look it over and decide if they want to donate. He said customers are already paying a lot of fees coming into the deputy registrar, and it becomes more of an education process. The deputies take a lot of time and effort educating the customers about the charitable organization and they are not being compensated for those measures.

Mr. Filippelli went over his recommendations for the Ohio Deputy Registrars' Association (ODRA). He focused on four different areas: organization, fee structure, marketing and training. Under the organization, he wants to expand the services they provide.

- 1) Issues regarding Deputy Registrar (DR) Operations:
 - a. No support from the State office after 6:00PM (Change office hours from 6:30PM to 5:30PM)
 - b. Create uniform hours for all agencies
 - c. Eliminate minimum staffing hours for deputy registrar's
 - d. Allow deputy registrar employees to participate in the State employees medical and pension benefit plans
 - e. deputy registrar should be classified as a clerical office and not retail office by Bureau of Workers Compensation (BWC)
 - f. Eliminate mandate to advertise in the yellow/white pages
 - g. Consumer questions required by State need to be reviewed
 - h. deputy registrar should be tax-exempt when buying supplies for office
- 2.) Issues regarding deputy registrar Contracts with the State
 - a. Protect deputy registrar personal information with the public, such as driver's license number, banking account information, spouse's name, home address, credit information, employees names, personnel policy and security policy for the agency
 - b. Allow for five-year contracts
 - c. Require a face-to-face interview before awarding a contract
- 3.) Additional Services that deputy registrar's could provide:
 - a. Define what is considered a transaction
 - b. Allow deputy registrar's to service the mailing and on-line transactions
 - c. Allow Self Service Kiosks in deputy registrar locations
 - d. ALL locations should provide same services as the State:
 - i) Temporary test at each agency

- ii) Driving test performed at each agency
- e. Provide professional identification cards
- f. Sell duplicate E-check forms
- g. Sell auto warranty products
- h. Sell Ohio turnpike E-Z passes
- i. Sell advertising space
- j. Collect State income tax
- k. Corporate tax deduction for charitable collections for Save Our Sight Fund and Organ Donations

Under the fee structure, he understands that the sub-committee will not focus on any type of fee increase and he said he is not asking for that. He recommends changing the way future fee increases could be incorporated and implementing this type of fee structure.

He said when the State increased its fees this year in House Bill 2 the deputy registrar fee was not included in the request. If deputy registrar's are viewed as a partner with the State, and truly viewed as integral to the customer experience, their fee increases should automatically be tied to the State's fee increases. He said when moving forward, there should be an automatic trigger that permits a fifty cent increase in the deputy registrar fee. For example, when the State increased its motor vehicle license or registration fees during the last transportation budget, the deputy registrar fee should have automatically been increased by \$.50 for each transaction that the deputy registrar fee is applied.

Another fee option he recommended is to move from a transaction fee to a percentage of gross State sales per agency (12-20%), or to have a combination of the current fee of \$3.50 plus a 10% of gross State sales.

Mr. Filippelli said a cost of living adjustment (COLA) should also be included for deputy registrars. This would help preserve the sustainability of the system during economic downturns. If the COLA is equal to the percentage increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year to the third quarter of the next. He said if there is no increase, there is no COLA and the adjustment would be effective on January 1st of each year.

He thinks if deputy registrars are permitted to expand their current service offerings, a vendor's allowance could be created by which a deputy registrar would keep a predetermined percentage of a transaction that is handled at the deputy registrar location. He said this would provide a comprehensive service to save the customer time, money, energy and confusion with a one-stop-shop opportunity.

Mr. Filippelli believes deputies should be allowed to market to their customers to increase foot traffic into their agencies. These communications to customers should provide an opportunity for deputies to offer advertising space to other area businesses, and generate revenues for their locations.

He also said that deputy registrars should be processing mail-in and on-line transactions that are requested from their geographic area. He suggested the State's system should be programmed to assign all zip codes to the appropriate driver license location or BMV location (where there is not a deputy registrar located), and direct those transactions to the appropriate deputy registrar or BMV to process. The State can keep a small portion of the fee of those processed by deputy registrars for the upkeep and maintenance of the program. The State would save time and money by not handling the entire processing portion of the program.

He recommends that deputy registrars be reimbursed by the State when the State's BASS system goes down. This is a customary practice when vendor's provide IT services to the State, if their services are interrupted then they reimburse the State for the portion of that time. He sees this as a revenue loss.

He said another service that deputy registrars have been providing free of charge is the collection of charitable contributions on behalf of the Save Our Sight Fund, which deputy registrars collected nearly \$2 million in 2008, and nearly \$900,000 for the Second Chance Trust Fund in 2008. He feels that deputy registrar's should receive an incentive to promote the programs or be allowed to receive a charitable tax deduction for these services.

Mr. Filippelli then spoke of operations. He said there are several issues that he discussed throughout the study council meetings, as well as with BMV officials. He would like to include these recommendations for the Council's full consideration. He feels his below issues impact the deputy registrar's ability to control costs, and make sound business decisions:

1. No support from the State office after 6:00PM (Change office hours from 6:30PM to 5:30PM)- since they have coverage until 6:00pm, if someone is waiting in line after 5:30pm they will get assistance and have the support office open for questions.
2. Create uniform hours for all deputy registrar and BMV agencies- this will provide more convenience to the customer
3. Eliminate minimum staffing requirement for deputy registrar's- tight budget and the needs that flexibility to go back and forth. He said employees used to be viewed as an asset, now because of the economic situation they are viewed as a liability.
4. Allow deputy registrar employees to participate in the State employees medical and pension benefit plans- he feels they cannot compete with the increase in the expenses for benefits. He said he will lose good employees to other businesses such as McDonalds.
5. Deputy registrar's should be classified as a clerical office and not retail office by Bureau of Workers Compensation (BWC) - he is hoping that the BMV (possibly in the contract) is willing to provide a statement clarifying that their offices are clerical offices and not retail offices. He is concerned with the annual fee if they are considered retail offices. Ms. Eaton said that the State pays for the license plate inventory.
6. Eliminate mandate to advertise in the yellow/white pages- there are additional items asked to be included in advertisement.
7. Consumer questions required by State need to be reviewed
8. Deputy registrar should be tax-exempt when buying supplies for office- this is a way to generate revenue and lower expenses.
9. Deputy registrars should be equipped with State issued driver license/identification card swipe machines- this would be easier for the deputy and will eliminate mistakes entered into the system.
10. Issues regarding deputy registrar contracts with the State- to protect some personal information included in the contracts. He would like to move toward five year contracts. Mr. Coleman asked Mr. Guldin if this was a statutory change. Mr. Guldin said it requires a statutory change.
11. Protect deputy registrar personal information with the public, such as driver's license number, banking account information, spouse's name, home address, credit information, employees names, personnel policy and security policy for the agency
 - i. Allow for five-year contracts
 - ii. Require a face-to-face interview before awarding a contract

Mr. Filippelli said he would like this sub-committee to look into adopting the new fee structure. He would like to see this as part of the recommendations going to the Governor's office.

Ms. Eaton said the fee structure recommendation would require a legislative change. She said they will review the list of Mr. Filippelli's recommendations, outside of the sub-committee, to determine which recommendations require administrative or legislative changes. Then the sub-committee will have to decide which recommendations to present to the full committee.

Ms. Saunders needed a clarification on the title of Mr. Filippelli's proposal. She also mentioned that the August 24th minutes did not mention the discussion about the ability to advertise.

Ms. Eaton asked Ms. Saunders to submit her statement about advertising so we can amend the previous minutes.

Mr. Filippelli said deputy registrars are often times the only interaction Ohioans have with the State of Ohio. Most Ohioans view deputy registrars as the BMV, and are not aware there is a distinction. As such, deputy registrar 's statewide presence is an asset to the State, which it should leverage to better serve Ohioans with all of their State government service needs. He said all government services could be handled at deputy registrar locations, creating a one-stop shop concept to include the following:

1. Allow Self Service Kiosks in deputy registrar locations- similar to the idea of what grocery stores currently have at check-out. Ms. Spriggs asked if there is currently something in place that precludes the deputy registrar's ability to do this or if it is a cost issue. Ms. Eaton said it is a combination of both and they do have the authority to do it. The price will have to be looked at because they are expensive and it is not on their list of priorities. There are legislative mandates that need to be worked on as priorities. Mr. Coleman said there are start up fee's but no additional costs to the State.
2. All locations should provide same services as the State: Ms. Spriggs asked for the history of the switch to certain locations that had previously been all locations of testing ability.
 - i. Temporary test at each agency- on a schedule type basis
 - ii. Driving test performed at each agency
3. Provide professional ID's- to generate revenues
4. Sell duplicate E-check forms- to generate revenues
5. Sell auto warranty products- to generate revenues
6. Sell Ohio turnpike E-Z Passes- to generate revenues
7. Sell advertising space to local businesses- to generate additional revenue. He said there should be a disclaimer on the bottom of the brochure stating this advertisement is not part of the BMV.
8. Collect State income tax
9. Become lottery game agents
10. Sell hunting licenses- to generate revenues.

Mr. Filippelli said when a transaction was done in the 1990's a deputy fee was charged for each renewed and transferred transaction. Now, he said, they are combined which at one time was considered two different transactions. He would like a clear definition of a transaction.

Ms. Eaton suggested it may have been from customer complaints.

Mr. Filippelli does not think the change occurred because of customer complaints. He said a deputy registrar fee is based on a transaction and by law it says per transaction.

He said everything regarding political contribution, disclosures and evaluations, are done the same way and treated the same. When there was the switch from the old system to the new system with the new political contributions, he wanted to make sure that is continued to be followed. There should be requirements and disclosures for everybody not just for one piece.

Mr. Guldin asked if Mr. Filippelli could elaborate.

Mr. Filippelli replied to his understanding, the law currently says motor vehicle dealers are exempt from political contributions and limitations. He recommends for full service or limited service deputies there should be no political bias. He says the playing field should be exactly the same for everybody.

Ms. Saunders said her office does not make political contributions and if she makes a political contribution, she has full disclosure on another form. She does not feel they should do the political contribution report. She sends it in every year stating the Gallia Clerk of Courts had no political contributions.

Mr. Guldin said that requires a legislative change and one that should not be controversial.

Ms. Saunders said it was changed to Clerks with limited authority do not have to file that report. It is more of a housekeeping issue from Senate Bill 59 that the Association is currently working on.

Mr. Leo said there are a couple of other documents handed out that Mr. Long had provided based on requests. He then opened the floor for recommendations and discussions.

Ms. Saunders said in previous conversations it was mentioned that contract deputy registrar's are looking at passport functions. The Clerks of Court already do passport applications and they are opposed to any outside independent deputy registrar's doing them. She said the U.S. Postal Services do applications and they are in competition with them.

Mr. Filippelli said many of the deputy registrar's provide that type of service already and have not had any issues.

Mr. Leo said the next BMV Study group meeting is Thursday October 1st in room South B and C from 3:00pm to 5:00pm. The next deputy registrar sub-committee is Monday October 19th in South A from 3:00pm to 5:00pm. Any non-members attending the sub-committee can submit recommendations to Mr. Long.

Ms. Saunders said the Clerks meet next week and she will email their recommendations.

Mr. Leo adjourned the meeting at 4:25pm.