



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill # SB0508

Title: Revise motor vehicle laws

Primary Sponsor: Brueggeman, John

Status: As Amended - Revised

- | | | |
|---|---|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	(\$3,259,531)	(\$1,225,675)	(\$1,280,888)	(\$1,280,888)
State Special Revenue	\$1,774,650	\$3,471,367	\$3,143,734	\$3,143,734
Internal Service Fund	\$1,287,300	\$2,574,600	\$2,574,600	\$2,574,600
Revenue:				
General Fund	(\$1,702,598)	(\$2,269,330)	(\$660,000)	(\$660,000)
State Special Revenue	\$1,725,000	\$3,450,000	\$3,450,000	\$3,450,000
Internal Service Fund	\$1,302,000	\$2,604,000	\$2,604,000	\$2,604,000
Net Impact-General Fund Balance:	<u>\$1,556,933</u>	<u>(\$1,043,655)</u>	<u>\$620,888</u>	<u>\$620,888</u>

Description of fiscal impact:

SB 508 creates an online vehicle insurance verification system funded by a state special revenue account and transfers the cost of license plate production funding from general fund to this state special revenue account. SB 508 also changes the distribution of the new issue license plate fee to a split between general fund and the new state special revenue account as well as distributing the new fees for retaining the same license plate number and the registration suspension reinstatement fee to this new state special revenue account.

FISCAL ANALYSIS

Assumptions:

Department of Corrections (DoC)

1. SB 508, as it pertains to the Department of Corrections, provides for the Department of Justice (DOJ) to contract with the Montana Correctional Enterprise's (MCE) License Plate Factory for the manufacturing, inventory control, storage, and distribution of license plates; requires MCE to provide the necessary interface to support the automated ordering of license plates; requires MCE to provide software necessary to assess the readability of plate designs; and includes provisions for payment to MCE upon shipment of plates to DOJ, a county treasurer, or a vehicle owner.
2. SB 508 provides provisions for MCE license plate factory to establish an internal service fund, where all payments from the DOJ state special revenue fund, established under this bill, are to be deposited and all expenditures for the operation of the production of license plates are paid. Currently the MCE License Plate Factory is funded by the general fund, receiving an annual appropriation. Revenue from plate sales is then deposited through the Department of Revenue into the general fund.
3. SB 508 establishes a five-year rolling reissue of license plates to begin January 1, 2010. Estimating that 600,000 sets of plates are manufactured and sold during a plate reissue, changing to a rolling five-year reissue will amortize the 600,000 sets over five years for 120,000 sets of plates to be produced and sold annually in addition to the approximately 300,000 regular annual sets of plates.
4. It is the assumption of MCE that ½ of the first year of the biennium will be regular plate production and the License Plate Factory will be gearing up for the rolling reissue and providing the services required in this bill, including establishment of the distribution center, software and programming to provide the interfaces needed between the DOJ Merlin and DOC Vehicle Information Management System (VIMS), and the Digital License Plate (DLP) machine. MCE will be required to contract with a third party provider to provide these services, as both the VIMS and DLP machines and software are proprietary programs and the third party provider will be required to complete the necessary interfaces. Therefore, MCE is requesting that the \$1,093,561 base general fund budget remain in the appropriation for the first year of the biennium (FY 2010). The second year is being reduced by the \$1,093,561, as it is the assumption that the internal service fund will be operational and revenues will begin covering expenditures.
5. Fiscal years 2012 and 2013 reflect a reduction in general fund expenditures, with the assumption that in the next biennium MCE would be required to request an increase in the general fund budget to \$1,250,000 for normal cost increases and the fact that the FY 2008 base budget is low due to the high inventory levels that were maintained in fiscal years 2007 and 2008 to cover the supplies needed for the reissue of specialty plates, which did not occur.
6. With the assumption made in number three above, license plate production costs are estimated at \$1,839,600 per year. FY 2010 expenditures are ½ of the normal fiscal year, which is \$919,800. This cost is based on the current 2.00 FTE, overtime and inmate payroll for eighteen inmate workers (\$149,000), direct manufacturing supplies (\$1,497,926) and operating expenses (\$192,674). The cost per set, based on the production of 420,000 sets of plates, is \$4.38. These expenditures for ½ of FY 2010 and one hundred percent of fiscal years 2011, 2012 and 2013 will be reflected in the internal service fund established under this bill.
7. The cost associated with the registration fulfillment and inventory management portion of the Senate Bill includes a distribution center for mailing plates to vehicle owners, counties, or DOJ. The cost of that service is estimated at \$1.75 per set of plates. The total cost associated with this fulfillment and the distribution center is \$735,000 per year, with FY 2010 reflecting ½ of those costs.

8. In addition, MCE is adding \$.07 per set of plates to cover incidental costs. The \$.07 per set of plates equates to \$29,400 per fiscal year, with ½ of that figure \$14,700 being reflected in FY 2010 ($\$420,000 \times .07 = \$29,400$. $\$29,400 / 2 = \$14,700$).
9. When license plates are shipped from the MCE License Plate Factory, the DOJ state special revenue fund, established in the bill, will be charged the per plate cost. It is the assumption of MCE that those costs will be paid by on-line journal within thirty days of receipt, therefore, allowing the MCE License Plate Factory to be self-supporting. The amount billed to the DOJ state special revenue account will be \$6.20 per set (\$4.38 – manufacturing fee, \$1.75 Registration fulfillment and distribution, \$.07 – incidental costs), regardless of the means for shipping and the location shipped.
10. With the passage of SB 508, MCE will need to establish the internal service fund to be used, request additional spending authority for the operating expenditures, request the 2.00 FTE be transferred from the general fund in the second year of the biennium to the internal service fund, and have the rates for the manufacturing of plates be approved.
11. Given the above noted assumptions the DoC's portion of this fiscal note will show a decrease in general fund expenditures of \$2,828,599 for the FY 2010 (the passage of this bill will negate the need for the DOC Program 4 present law adjustment for the license plate renewal), a decrease of \$1,119,470 in FY2011 ($\$1,093,561 + \$25,909$ (reissue funds) = \$1,119,470), decrease of \$1,250,000 for both FY 2012 and FY 2013 – see assumption 5 above.
12. The figures included in DoC's portion of this fiscal note pertaining to the internal service fund reflect the expenditures based on assumptions six through nine above.
13. The revenue shown in the DoC's portion of this fiscal note reflects the revenue for 420,000 sets of plates to be billed to DOJ @ \$6.20 per set ($420,000 \times \$6.20 = \$2,604,000$ -FY 2011, FY 2012 and FY 2013. $\$2,604,000/2 = \$1,302,000$ – FY 2010)

Department of Justice

14. SB 508 creates an online motor vehicle liability insurance verification system (OMVLIVS) effective July 2011. To select a vendor(s) to assist in the establishment and maintenance of this online motor vehicle liability insurance verification system, the Department of Justice (DOJ) will work with the Department of Administration in a request for proposal (RFP) procurement process.
15. A contract manager will be necessary to work with the Department of Administration Procurement Office and department staffs to develop the RFP, manage the department's participation in the RFP process, and oversee the design and implementation of the online motor vehicle insurance verification system. Utilizing a contractor (from the state term contract provider listing) full-time for twelve months, operating costs for this contractor are estimated at \$195,000 which would be split equally between FY 2010 and FY 2011 [$\$195,000 * 0.5 = \$97,500$].
16. Until a vendor(s) is selected through a RFP process, the actual cost for the implementation and maintenance of the OMVLIVS referenced in assumption one is unknown. For fiscal note purposes, it is assumed this system will cost \$500,000 for the hardware, software, and implementation costs based on vendor information for a similar product. The dollar amounts between hardware, software, and implementation costs cannot be broken out separately until the RFP process is complete. Therefore, the one-time cost of \$500,000 estimated cost will be included in the operating costs expenditure category for FY 2011.
17. Assuming annual maintenance costs are assessed at \$0.50 per year for each light vehicle, heavy truck, bus, and motor home registered in Montana and using the number of light vehicles, heavy trucks, buses, and motor homes actively registered in Montana in FY 2008 (1,079,467 including those permanently registered), the annual operation expense for maintenance for the online motor vehicle liability insurance verification system is estimated at \$539,734 in state special revenue account funds annually. Operating expenditures for this state special revenue account are estimated at \$269,867 in FY 2011 and \$539,734 annually thereafter for these maintenance costs [$1,079,467$ vehicles * $\$0.50$ /vehicle/year = \$539,734 annually; ½ year for FY 2011; no adjustment is made for growth].

18. Operating expenditures for rulemaking provided for in Sections 10 and 22 are estimated to be \$750 in state special revenue funds in FY 2010.
19. Section 10 of SB 508 increases the fee for a new issue or replacement set of license plates from \$5 to \$10 and changes the distribution of these fees from \$5 for the general fund to \$2 for the general fund and \$8 for the vehicle insurance verification and license plate operating state special revenue account established in section three.
20. Section 10 also provides for an additional fee of \$15 when a vehicle owner elects to retain the same license plate number for plates issued between January 1, 2006 and January 1, 2010 and distributes that fee to the vehicle insurance verification and license plate operating state special revenue account established in section three.
21. Approximately 300,000 sets of license plates are issued annually due to purchases of new vehicles, transfers of ownership, and the purchase of duplicate or replacement plates (including generic specialty license plates).
22. SB 508 establishes a five-year rolling reissue of license plates beginning January 1, 2010. Approximately 600,000 additional sets of license plates were sold during the last license plate re-issue in 2006. If the same number of license plates would be distributed over a five-year rolling re-issue, it is assumed that 120,000 sets of license plates would be sold and issued annually due to the rolling re-issue.
23. Additionally, the general fund projected revenue for the periodic new issue of license plates of \$1,372,598 in FY 2010 and \$1,609,330 in FY 2011[MBARS Decision Package 1208]
24. Assuming the vehicle owners of five percent of the new plates issued under the rolling re-issue elect to retain the same license plate number, revenue for the online vehicle insurance verification and license plate operating state special revenue account would increase \$45,000 in FY 2010 and \$90,000 annually until January 2015.
25. The revenue impact of assumptions 19 through 24 are projected in the follow table below. License plate issues are adjusted by the estimated HJ2 and OBPP estimated growth rates for motor vehicles the results are in the following table:

Revenue Impact of SB 508 as Amended

	FY 2010		FY 2010	FY 2011	FY 2012	FY 2013
	First Half	Second Half				
Current Law						
Current Plate Fee (GF)	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
License Plates						
Number of Regular Plates to be Issued	150,000	150,000	300,000	300,000	300,000	300,000
Number of Reissued License Plates		274,520	274,520	321,866		
Total sets of license plates			574,520	621,866	300,000	300,000
Revenue						
Regular Plate Revenue	\$750,000	\$750,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
License Plate Reissue in HJR 2	\$0	\$1,372,598	\$1,372,598	\$1,609,330	\$0	\$0
Estimated Total Plate Revenue (GF)	\$750,000	\$2,122,598	\$2,872,598	\$3,109,330	\$1,500,000	\$1,500,000
SB 508 as Amended						
SB 508 Plate Fee (GF)	\$5.00	\$2.00		\$2.00	\$2.00	\$2.00
SB 508 Plate Fee (SSR)	\$0.00	\$8.00		\$8.00	\$8.00	\$8.00
License Plates						
Number of Regular Plates to be Issued	150,000	150,000	300,000	300,000	300,000	300,000
Number of Reissued License Plates	-	60,000	60,000	120,000	120,000	120,000
Total sets of license plates	150,000	210,000	360,000	420,000	420,000	420,000
Plates w/ Retained Numbers (5% of Reissued)	-	3,000		6,000	6,000	6,000
Revenue						
General Fund (\$5/ \$2 fee)	\$750,000	\$420,000	\$1,170,000	\$840,000	\$840,000	\$840,000
Plate State Special Revenue (\$8 fee)	\$0	\$1,680,000	\$1,680,000	\$3,360,000	\$3,360,000	\$3,360,000
Retention Fee (SSR \$15 fee)	\$0	\$45,000	\$45,000	\$90,000	\$90,000	\$90,000
Total State Special Revenue	\$0	\$1,725,000	\$1,725,000	\$3,450,000	\$3,450,000	\$3,450,000
Change in Revenue						
			FY 2010	FY 2011	FY 2012	FY 2013
General Fund			(\$1,702,598)	(\$2,269,330)	(\$660,000)	(\$660,000)
State Special Revenue			\$1,725,000	\$3,450,000	\$3,450,000	\$3,450,000

26. Revenue for the online vehicle insurance verification and license plate operating state special revenue account generated from these transactions would increase approximately \$1,165,514 in FY 2010 (1/2 year) and approximately \$3,200,000 annually thereafter.
27. The general fund would decrease approximately \$1,679,000 in FY 2010 by \$2,202,000 in FY 2011, and approximately \$600,000 annually thereafter due to the re-distribution of the new issue plate fee for new vehicle purchases, transfers, duplicate and replacement plates
28. The bills elimination of the CY 2010 plate reissue and replacement with the five-year rolling reissue would also remove the need for DOJ one-time operating expenses of \$321,250 associated with the reissue. [MBARS Decision Package 1208]
29. SB 508 provides for the suspension of a vehicle registration for failure to respond and provide information related to the insurance status of a vehicle, misrepresentation regarding vehicle usage, failure to carry mandatory liability insurance, or a report of a conviction and surrender of the registration. Section 22 of the bill provides for a reinstatement fee and, for the purposes of this fiscal note, it is assumed the fee is \$100 for the registration reinstatement.

30. Insurance industry information indicates that 30 percent of motor vehicle insurance policies are cancelled annually (either the coverage is terminated or a policy is replaced with a different policy). Based on that industry information, it is assumed that about 275,000 insurance verification processes would be handled annually for vehicles registered in Montana.
31. If one percent of the 275,000 insurance verification processes result in a registration suspension, an estimated \$275,000 in reinstatement fees would be generated for the vehicle insurance verification and license plate operating state special revenue account annually beginning in FY 2012 [275,000 verification processes * 1% = 2,750 suspensions/reinstatements * \$100/reinstatement = \$275,000].
32. Data is not available to determine the revenue that would be generated by a fee for third-party access to the verification system by authorized commercial businesses (lenders, rental car and truck companies, vehicle leasing companies, and vehicle dealers) for verifying vehicle insurance or insurance companies investigating potential insurance fraud and claims.
33. Through the use of appointment scheduling in addition to utilizing technology and managing available resources, the department would use available staffing resources to address the duties associated with the hearings related to suspension orders and system user assistance provided for in Section 22 of this bill.
34. SB 508 provides that DOJ would contract with the Montana Correctional Enterprises for the production, inventory control, storage and distribution of the license plates issued. Based on cost estimates from the Department of Corrections, it is estimated DOJ will be billed \$6.20 per set of license plates shipped to DOJ, the county treasurers, or vehicle owners.
35. Assuming the contract with the Montana Correctional Enterprises would be effective for plates issued on or after January 1, 2010, approximately 210,000 sets of license plates would be produced and shipped in FY 2010 and 420,000 annually thereafter at an estimated cost of \$1,302,000 in FY 2010 and \$2,604,000 annually thereafter in state special revenue funds [300,000 base year transactions + 120,000 rolling re-issue = 420,000 sets of license plates issued annually * \$6.20/set = \$2,604,000 annually; ½ for FY 2010 due to effective date].
36. To bring the Montana Enhanced Registration and Information Network (MERLIN) system into compliance with SB 508 (for example, to collect and distribute the fees collected at registration for the online motor vehicle insurance verification and license plate operating account, the rolling reissuance, and the third party information access fees), Justice Information Technology Services Division will contract with its vendor. It is estimated that this will cost \$214,400 in FY 2010 [\$160/hr * 1,340 hours = \$214,400].
37. Integrated Justice Information System (IJIS) Broker Integration: A critical component of implementing the OMVLIVS will be the ability to integrate the insurance verification services it will provide with the existing, but disparate, information systems used by law enforcement and motor vehicle registration personnel. To achieve this necessary integration the department will leverage the capabilities of their IJIS Broker platform to facilitate the query/response interaction. The IJIS Broker will provide transport, translation, and transformation services between the existing MERLIN Automated Registration and Titling System (ARTS), Criminal Justice Information Network (CJIN) Switch, Consolidated Technology Solutions (CTS) America Smart Cop application, and the future OMVLIVS application.
 - Each application will require both an inquiry and response interaction with the IJIS Broker.
 - Existing frameworks already used to share information between the IJIS Broker and CJIN Switch will be extended to achieve integration of the insurance verification service from the OMVLIVS.
 - Existing frameworks already used to share information between the IJIS Broker and MERLIN ARTS will be extended to achieve integration of the insurance verification service from the OMVLIVS.
 - The estimated one-time contracted services costs to make the above changes will be approximately \$160,000 in FY 2010.

38. Based on section 3(3) of SB 508, all expenditures for implementation and maintenance of the provisions of SB 508 will be made from the vehicle insurance verification and license plate operating account in the state special revenue fund type.

Department of Administration

39. MCA 15-1-122 requires the transfer of certain percentages of state vehicle revenue to various state special funds. As vehicle general fund revenues change, transfers to these state special accounts change. The following table outlines the agencies impacted by this bill and their share of general fund motor vehicle revenue. There are multiple programs in each agency that are funded by these:

**Share of Motor Vehicle Revenue Transfers
to Agencies under 15 -1-122, MCA**

Department of Fish, Wildlife & Parks	0.72%
Department of Transportation	0.30%
Department of Military Affairs	0.64%
Department of Agriculture	1.50%
Department of Environmental Quality	1.48%

40. The reduction in general fund motor vehicle revenue will result in reductions in the 15-1-122, MCA transfers to multiple programs in each agency. The net reduction in transfers by agency is presented in the following table:

SB 508 as Amended: Change in 15-1-122, MCA, Non-Budgeted Transfers

Department of Administration

	FY 2010	FY 2011	FY 2012	FY 2013
<u>Expenditures:</u>				
Transfers - FWP	(\$12,259)	(\$16,339)	(\$4,752)	(\$4,752)
Transfers - Transportation	(\$5,108)	(\$6,808)	(\$1,980)	(\$1,980)
Transfers - Military Affairs	(\$11,578)	(\$15,431)	(\$4,488)	(\$4,488)
Transfers - Agriculture	(\$25,539)	(\$34,040)	(\$9,900)	(\$9,900)
Transfers - DEQ	(\$25,198)	(\$33,586)	(\$9,768)	(\$9,768)
TOTAL Expenditures	(\$79,682)	(\$106,205)	(\$30,888)	(\$30,888)

	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>	<u>FY 2012</u> <u>Difference</u>	<u>FY 2013</u> <u>Difference</u>
Fiscal Impact:				
Department of Corrections				
Expenditures:				
Personal Services - ISF	\$74,500	\$149,000	\$149,000	\$149,000
Operating Expenses - ISF	\$1,212,800	\$2,425,600	\$2,425,600	\$2,425,600
Operating Expenses - GF	(\$2,858,599)	(\$1,119,470)	(\$1,250,000)	(\$1,250,000)
TOTAL Expenditures	(\$1,571,299)	\$1,455,130	\$1,324,600	\$1,324,600
Funding of Expenditures:				
General Fund	(\$2,858,599)	(\$1,119,470)	(\$1,250,000)	(\$1,250,000)
Internal Service Fund (ISF)	\$1,287,300	\$2,574,600	\$2,574,600	\$2,574,600
TOTAL Funding of Exp.	(\$1,571,299)	\$1,455,130	\$1,324,600	\$1,324,600
Revenues:				
Internal Service Fund (ISF)	\$1,302,000	\$2,604,000	\$2,604,000	\$2,604,000
TOTAL Revenues	\$1,302,000	\$2,604,000	\$2,604,000	\$2,604,000
Department of Justice				
Expenditures:				
Operating Expenses	\$1,453,400	\$3,471,367	\$3,143,734	\$3,143,734
Funding of Expenditures:				
General Fund (01)	(\$321,250)	\$0	\$0	\$0
State Special Revenue (02)	\$1,774,650	\$3,471,367	\$3,143,734	\$3,143,734
TOTAL Funding of Exp.	\$1,453,400	\$3,471,367	\$3,143,734	\$3,143,734
Revenues:				
General Fund (01)	(\$1,702,598)	(\$2,269,330)	(\$660,000)	(\$660,000)
State Special Revenue (02)	\$1,725,000	\$3,450,000	\$3,450,000	\$3,450,000
TOTAL Revenues	\$22,402	\$1,180,670	\$2,790,000	\$2,790,000
Department of Administration				
Expenditures:				
Fish Wildlife & Parks (transfers) (02)	(\$12,259)	(\$16,339)	(\$4,752)	(\$4,752)
Transportation (transfers) (02)	(\$5,108)	(\$6,808)	(\$1,980)	(\$1,980)
Military Affairs (transfers) (02)	(\$11,578)	(\$15,431)	(\$4,488)	(\$4,488)
Agriculture (transfers) (02)	(\$25,539)	(\$34,040)	(\$9,900)	(\$9,900)
DEQ (transfers) (02)	(\$25,198)	(\$33,586)	(\$9,768)	(\$9,768)
Total	(\$79,682)	(\$106,205)	(\$30,888)	(\$30,888)
Funding of Expenditures:				
General Fund (01)	(\$79,682)	(\$106,205)	(\$30,888)	(\$30,888)
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	\$1,556,933	(\$1,043,655)	\$620,888	\$620,888
State Special Revenue (02)	(\$49,650)	(\$21,367)	\$306,266	\$306,266
Internal Service Fund (ISF)	\$14,700	\$29,400	\$29,400	\$29,400

Long-Term Impacts:

1. Passage of SB 508, as it pertains to the Department of Corrections, will remove the MCE License Plate Factory from the general fund appropriations, as the License Plate Factory will become a self-supporting operations.
2. Counties will not have the need for the excess inventory, as the Registration Fulfillment and Inventory Management portion of the contract will allow for just-in-time delivery to all customers including counties. This will lessen the overall cost of production as it is believed that there is thousands of dollars of inventory in counties that at the end of a reissue cycle are disposed of.

Sponsor's Initials

Date

Budget Director's Initials

Date



Dedication of Revenue 2011 Biennium

GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

17-1-507-509, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

Individuals and business entities would all benefit from the services funded through this online motor vehicle insurance verification account.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

Monies generated from the plate fees being reassigned per SB 508 would fund expenditures involved in creating and maintaining the online motor vehicle insurance verification system. Utilizing a state special revenue account would ensure that those who benefit from the system also support the costs of providing the system.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes

- d) **Does the need for this state special revenue provision still exist? Yes No (Explain)**

The proposed online motor vehicle insurance verification system would have to be funded through general fund if this state special revenue funding source was not available if SB 508 is passed.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

Yes, this provides the mechanism to accurately identify revenues and expenditures for the processes provided for in SB 508.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

Yes. This dedicated revenue would fund the costs of creating and maintaining an online motor vehicle insurance verification system.

- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

The proposed dedicated revenue account would comply with generally accepted accounting practices to accurately identify the revenues and expenditures associated with the online insurance verification system proposed by SB 508. Those benefiting from the system would also fund the costs of the system.

If SB 508 were general fund, accounting for the revenue and expenditures could be accounted for by creating separate revenue and expenditure orgs within SABHRS.