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Motor Vehicle Service Delivery: Analysis of Idaho's Model and Policy Alternatives

Gabe Osterhout
Boise State University

Matthew May
Boise State University

Emily Pape
Boise State University

Cheong Kim
Boise State University

Vanessa Fry
Boise State University

IDAHO TRANSPORTATION DEPARTMENT

RESEARCH REPORT

Motor Vehicle Service Delivery: Analysis of Idaho's Model and Policy Alternatives

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By

Gabe Osterhout, M.A.

Matthew May, Ph.D.

Emily Pape

Cheong Kim, Ph.D.

Vanessa Fry, Ph.D.

Idaho Policy Institute, Boise State University

Prepared for

Idaho Transportation Department

[ITD Research Program, Contracting Services](#)

Division of Motor Vehicles

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16. Abstract This report analyzes Idaho's DMV service delivery model, compares it to DMV arrangements in other states, and considers potential policy alternatives by conducting surveys of front-line agents in Idaho and DMV administrators in other states, as well as interviews of officials in counties and other states. The report discusses the benefits and challenges of Idaho's arrangement and other service delivery models. The state's current arrangement enables local access, flexibility, and autonomy, but it also leads to a lack of standardization, blurred responsibilities between state and county decision makers, funding challenges, and unnecessary layers in delivering DMV services. Each service delivery model features tradeoffs: more centralized arrangements typically enable more standardization and economies of scale but come with fewer points of access, while less centralized ones grant more local access but create inconsistencies in service delivery. Private partners can expand DMV access and ease of use but can also widen inequities and require oversight from the state agency. Finally, policy options are identified for Idaho's framework that relate to communication, revenue, planning, and access.			
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Technical Advisory Committee

Each research project is overseen by a Technical Advisory Committee (TAC), which is led by an ITD project sponsor and project manager. The TAC is responsible for monitoring project progress, reviewing deliverables, ensuring that study objectives are met, and facilitating implementation of research recommendations, as appropriate. ITD's Research Program Manager appreciates the work of the following TAC members in guiding this research study.

- Project Sponsor: Idaho Transportation Department
- Project Manager: Lisa McClellan
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List of Abbreviations and Acronyms

AAMVA	American Association of Motor Vehicle Administrators
ADOT	Arizona Department of Transportation
CET	County engagement team
DL	Driver's license
DMV	Division of Motor Vehicles
FHWA	Federal Highway Administration
IAC	Idaho Association of Counties
IPI	Idaho Policy Institute
IT	Information technology
ITD	Idaho Transportation Department
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
DPS	Minnesota Department of Public Safety
MVD	New Mexico Motor Vehicle Division
NDDOT	North Dakota Department of Transportation
ODOT	Oregon Department of Transportation
VR	Vehicle registration
VT	Vehicle titling
VT/R	Vehicle titling and registration

Executive Summary

Idaho Transportation Department (ITD) commissioned Idaho Policy Institute (IPI) to better understand the state's Division of Motor Vehicles (DMV) service delivery model, compare it to DMV arrangements in other states, and research potential policy alternatives. Specifically, the IPI research team sought to answer the following questions:

1. What are the advantages and disadvantages of Idaho's current DMV service delivery model?
2. How are other state models similar or different from Idaho's? How do they affect service delivery outcomes?
3. What are possible structural, management, and legislative policy solutions? What are the benefits and challenges of each?
4. How can each potential solution improve the delivery of Idaho services?
5. What statutes and regulations relate to DMV delivery in Idaho and other states? How is the language written?
6. What best practices are recommended for ITD to improve the current model?

IPI reviewed data from 15 previous surveys distributed by the American Association of Motor Vehicle Administrators (AAMVA), conducted two new surveys of state DMV administrators and Idaho front-line agents, and held 18 interviews with administrators in select states and local county assessors and sheriffs. The research team analyzed quantitative DMV data in Idaho and other states and conducted a thorough literature review to assess best practices.

Idaho's DMV service delivery model is unique. ITD oversees services, establishes policies and procedures, and provides training and equipment while counties are charged with administering driver (sheriffs) and vehicle (assessors) services and controlling their own offices and agents. In practice, many DMV administration decisions are made independently in each of the state's 44 counties by 88 sheriffs and assessors, resulting in varying degrees of efficiency and customer service across the state. For instance, the number of transactions, agents, offices, and availability changes by county and does not always correspond to the area's population size or customer demand. Policies vary as some counties provide services for residents from other counties, with restrictions in some cases, while other counties choose to not provide services to nonresidents. Some counties also require staff to provide functions unrelated to DMV services. Idaho's arrangement enables local access, flexibility, and autonomy, but it also leads to a lack of standardization, blurred responsibilities between state and county decision makers, funding challenges, and unnecessary layers in delivering DMV services.

IPI created a typology of five distinct DMV service delivery models used by states to provide driver's license, vehicle registration, and vehicle titling services. These include state only, state-local, state-private, state-local-private, and local only arrangements. Although no two states are identical, this report identifies tradeoffs of each model type. More centralized arrangements typically enable more standardization and economies of scale but come with fewer points of access, while less centralized ones grant more local access but create inconsistencies in service delivery. Private partners can expand

DMV access and ease of use but can also widen inequities and require oversight from the state agency. A selection of states using each model demonstrates that these arrangements are structured by a combination of statutes and/or administrative rules, with many third party arrangements featuring written Memoranda of Understanding (MOU) that establish clear expectations and responsibilities between parties.

DMV services vary between states in terms of number of offices, agents, transactions, wait times, and hours of operation. For driver's license, vehicle registration, and vehicle titling services, agents in different states have diverse transaction-processing workloads. Customers' experiences at the DMV largely depend on their state of residence.

This report identifies four policy options applicable to Idaho's context under the current framework. First, despite communication efforts by ITD, a disconnect exists between the state and counties that requires deeper engagement from decision makers at each level of government. Second, changes to revenue under the current county fee-based system may incur short-term losses but in other states have resulted in long-term gains. Local officials' concerns about losing revenue under a more centralized arrangement, such as additional online points of service, could be alleviated by adapting the current revenue structure to include other types of transaction methods. Third, formalizing the current state-county arrangement or adding additional third party partners under agreements such as an MOU could enable clearer expectations between officials and other stakeholders. Fourth, to preserve local customer access under a more centralized arrangement, some states give private organizations and/or local governments the ability to opt-in to provide service in more remote areas, offering incentives such as increased convenience fees. Although customers may have to pay more for using private services, they would still have the choice to travel to a regional or state office.

1. Introduction

Idaho Transportation Department (ITD) commissioned Idaho Policy Institute (IPI) to better understand the state's Division of Motor Vehicles (DMV) service delivery model, compare it to DMV arrangements in other states, and research potential policy alternatives. Specifically, the IPI research team sought to answer the following questions:

1. What are the advantages and disadvantages of Idaho's current DMV service delivery model?
2. How are other state models similar or different from Idaho's? How do they affect service delivery outcomes?
3. What are possible structural, management, and legislative policy solutions? What are the benefits and challenges of each?
4. How can each potential solution improve the delivery of Idaho services?
5. What statutes and regulations relate to DMV delivery in Idaho and other states? How is the language written?
6. What best practices are recommended for ITD to improve the current model?

To answer these questions, IPI researchers completed four main tasks.

- TASK 1: Review Idaho and other state service delivery models
- TASK 2: Identify model benefits and challenges
- TASK 3: Provide model recommendations
- TASK 4: Review and compare statutes and regulations

Qualitative Methods

Surveys

IPI collected and analyzed data from 15 previous surveys distributed by the American Association of Motor Vehicle Administrators (AAMVA) from 2017 to 2021. This data includes 408 responses from 49 states covering topics related to transactions, agents, wait times, training, fees, third party services, and office locations and hours. Results from these surveys informed the development of a new survey of state administrators. The new survey aimed to overcome data fragmentation and inconsistency issues.

IPI conducted two surveys as part of this study. A national survey asking about vehicle and driver services was distributed to AAMVA's contact list of 94 administrators across all 50 states, the District of Columbia, and five territories. Responses were collected using Qualtrics online survey platform from September 21 to October 29, 2021. Administrators representing 27 states provided data for this study, with 24 states providing data on driver services and 21 on vehicle services.

A statewide survey was distributed to ITD's contact list of 632 transaction-processing agents working in county assessor and sheriff offices across Idaho. Responses were collected using Qualtrics online survey platform from October 20 to November 15, 2021. The survey received responses from 175 agents working in 40 of Idaho's 44 counties.

Interviews

In addition to surveys, IPI conducted interviews with DMV administrators in select states and local county officials. Seven DMV administrators were selected from states representing different DMV service delivery models. Interviewees were mostly from states that feature a rural-urban divide similar to the one in Idaho. Interviewee job titles include cabinet secretary, DMV director, researcher, and executive assistant. State administrators were interviewed between November 29 and December 15, 2021.

IPI also interviewed county sheriffs and assessors overseeing the local delivery of DMV services in Idaho. The research team coordinated with the Idaho Association of Counties (IAC) to identify five sheriffs and five assessors interested in being interviewed. Interviewees were selected to provide a diverse range of geography and population size. Of Idaho's six transportation districts, participating sheriffs represent four districts while participating assessors represent five districts. The interviewed officials deliver DMV services in a range of large, medium, and small counties. In a few counties, a supervisor or deputy was interviewed in place of or alongside the elected official to provide additional insight given their hands-on experience overseeing the county's day-to-day DMV operations. County officials were interviewed between November 4 and December 13, 2021.

Limitations

The findings of this study come with several limitations. First, quantitative data collected from the survey of state DMV administrators includes self-reported numbers that cannot be verified. Therefore, the quality of the data depends on the varied methods used in each state to collect and calculate DMV statistics. Some states reported exact numbers, while others provided approximate estimates, impacting state-to-state comparisons and IPI's calculations that use this data. Second, though all efforts were made to select state DMV administrators representing each service delivery model type, the perspectives included in this report are in no way exhaustive. It should be noted that state DMV administrators likely have views on their own states' arrangements that paint the organization in a better light than those administering services at the local level. Similarly, the perceptions of state and local DMV administrators in Idaho may reflect inherent biases based on their relationships with actors in separate levels of government. Whenever possible, this report attempts to provide additional context to these perspectives.

2. Idaho Model

Overview

Idaho's DMV service delivery model is unique. ITD oversees services, establishes policies and procedures, and provides training and equipment while counties are charged with administering driver (sheriffs) and vehicle (assessors) services and controlling their own offices and agents. In practice, many DMV administration decisions are made independently in each of the state's 44 counties by 88 sheriffs and assessors, resulting in varying degrees of efficiency and customer service across the state.

Statutes and Regulations

Idaho structures the current DMV service delivery model in Title 49 of Idaho Code. Title 49 established the Division of Motor Vehicles and outlines its primary functions, while also empowering it to direct county officials as its agents. The three major functions of Motor Vehicles—driver's license, vehicle registration, and vehicle titles—are outlined in Chapters 3, 4, and 5 of Title 49, respectively. Title 49, Chapter 2 of Idaho Code charges the county assessor with performing duties related to vehicle registrations and vehicle titles (Idaho Code § 49-205), while Chapter 3 specifies that the county sheriff is responsible for duties related to driver's licenses (Idaho Code § 49-314).

The state DMV's ability to enter into agreements with third parties was expanded in 2021 to include electronic vehicle credential providers to process vehicle titles and registrations in the state. Idaho Code limits the total number of these providers to no more than ten (Idaho Code § 49-401C).

State code directly addresses the question of administrative fees. While county assessors are able to set an administrative fee to recoup costs related to vehicle registrations and vehicle titles, county sheriffs are limited in what they can charge. Title 49, Chapter 3 establishes a fee schedule for driver's license transactions, with their cost explicitly specified in statute (Idaho Code § 49-306). This section limits the amount sheriffs can collect to reimburse the cost of administering driver's license services to \$5 for commercial licenses and \$10 for other driver's licenses.

County Comparison

Since many DMV service delivery decisions are made at the county level, there is inconsistency in the number of offices, agents, and hours of operation across the state. This section examines DMV service delivery in all 44 counties across these metrics.

Vehicle services

The number of assessor offices available in a county is not always influenced by the number of registered vehicles (see Figure 2.1). For instance, Canyon County has over 260,000 active vehicle

registrations but only one assessor office—the same number of offices as Clark County, which has fewer than 1,300 registered vehicles. Conversely, Owyhee County has three offices and approximately 21,000 vehicles, averaging 7,000 vehicles per office.

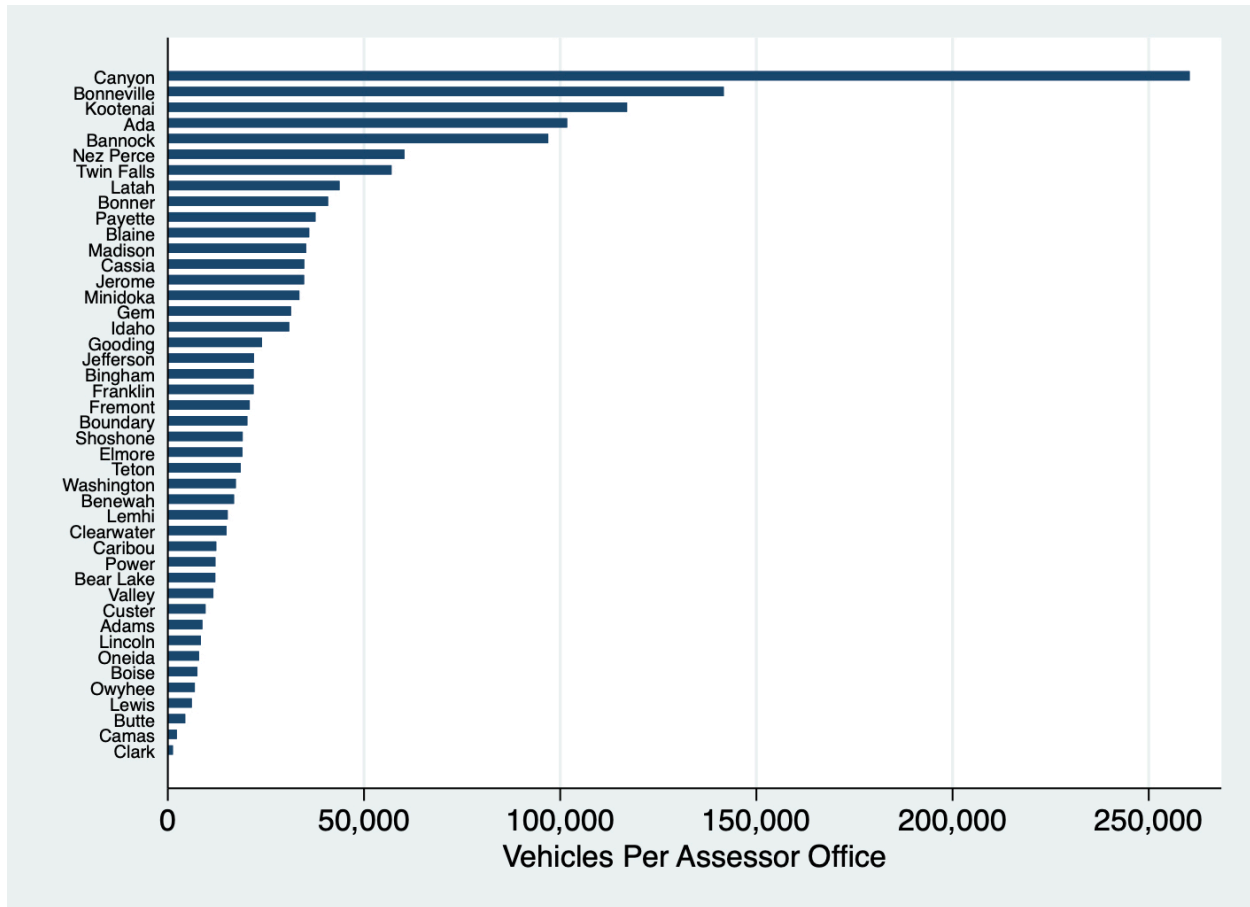


Figure 2.1 Registered vehicles per assessor office

Figure 2.1 Note: IPI analysis based on number of active vehicle registrations (October 2021 data) and county office directory (July 2021 data) shared by ITD.

Assessor agents rated the number of offices in their counties based on customer demand (see Table 2.1). There is a relationship between actual and perceived burdens on assessor offices. The calculated correlation coefficient (-0.45) implies that as the county-level demand for vehicle services (measured by vehicles per office) increases, county agents tend to perceive there are not enough offices.

Table 2.1 Assessor agent perceptions on number of offices

District	Not enough	Just about right	Too many
District 1	4	7	0
District 2	2	14	0
District 3	13	20	1
District 4	0	11	0
District 5	2	11	0
District 6	1	7	0

Similarly, assessor agents are responsible for administering services to varying population sizes depending on the counties they represent (see Figure 2.2). Gooding County has 24,000 registered vehicles and two assessor agents, while Lincoln County has 8,400 registered vehicles and five assessor agents. On average, there is one agent in Gooding County per 12,000 vehicles while in Lincoln County there is one agent per 1,700 vehicles.

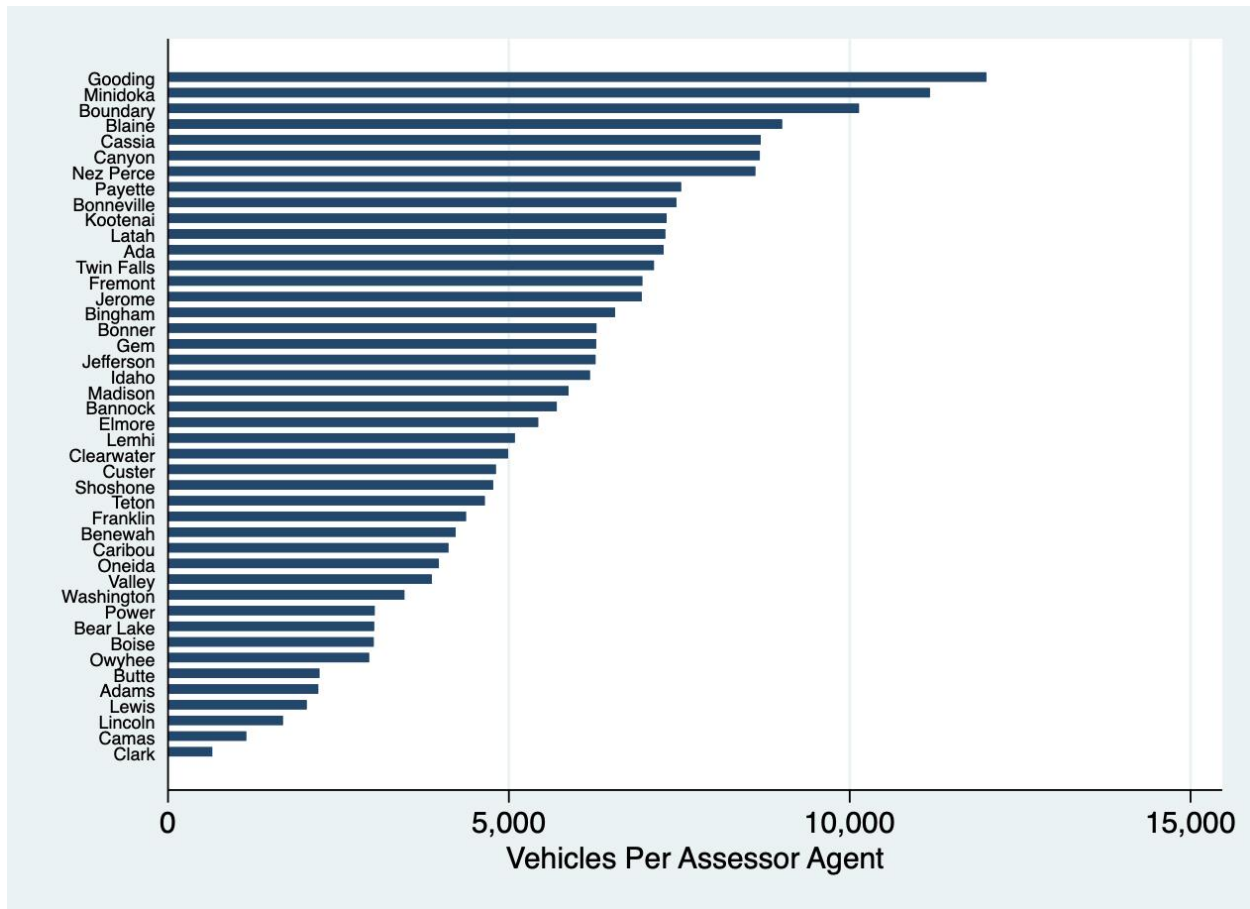


Figure 2.2 Registered vehicles per assessor agent

Figure 2.2 Note: IPI analysis based on number of active vehicle registrations (October 2021 data) and individual agent transactions between October 10, 2020 and October 7, 2021. IPI’s analysis limits county agent counts to those who average at least 22 transactions per month (one per business day), assuming that such agents are full-time and whose primary responsibilities include processing transactions. Those with fewer transactions are assumed to be providing temporary assistance with primary job responsibilities that do not include processing transactions.

Assessor agents rated the number of agents in their counties based on customer demand (see Table 2.2). The number of vehicles per assessor agent and assessor agents’ perceptions on the number of agents are not highly correlated (0.02).

Table 2.2 Assessor agent perceptions on number of agents

District	Not enough	Just about right	Too many
District 1	3	7	0
District 2	5	11	0
District 3	11	23	1
District 4	0	12	0
District 5	6	9	0
District 6	0	9	0

Assessor agents working in counties with larger vehicle-to-agent ratios are burdened with individually processing higher amounts of transactions (see Figure 2.3). For instance, agents in Boundary County and Owyhee County process a similar number of vehicle transactions—about 21,000—but transactions are processed between two agents in Boundary and seven in Owyhee. As a result, the average Boundary assessor agent processes approximately 11,000 transactions compared to only 3,000 for an Owyhee agent.

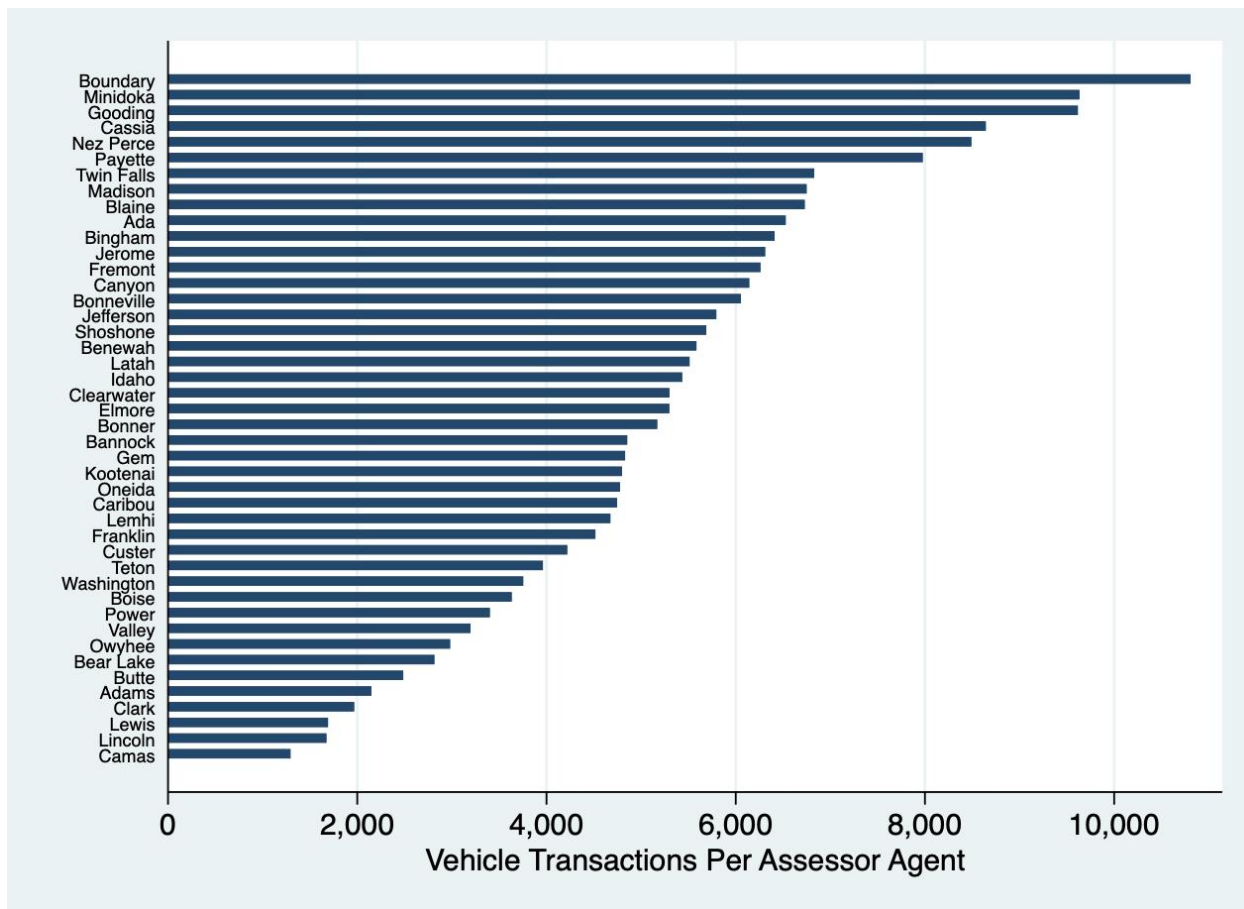


Figure 2.3 Vehicle transactions per assessor agent

Figure 2.3 Note: IPI analysis based on number of vehicle transactions and individual agents between October 10, 2020 and October 7, 2021. IPI’s analysis limits county agent counts to those who average at least 22 transactions per month (one per business day), assuming that such agents are full-time and whose primary responsibilities include processing transactions. Those with fewer transactions are assumed to be providing temporary assistance with primary job responsibilities that do not include processing transactions.

County assessor offices have varying availability for providing vehicle services (see Figure 2.4). While some counties are open during the traditional 40-hour work week, others process transactions outside normal business hours or limit daily hours. Some counties also choose to limit services to certain days of the week. Hours of operation also can be inconsistent between multiple assessor offices in the same county.

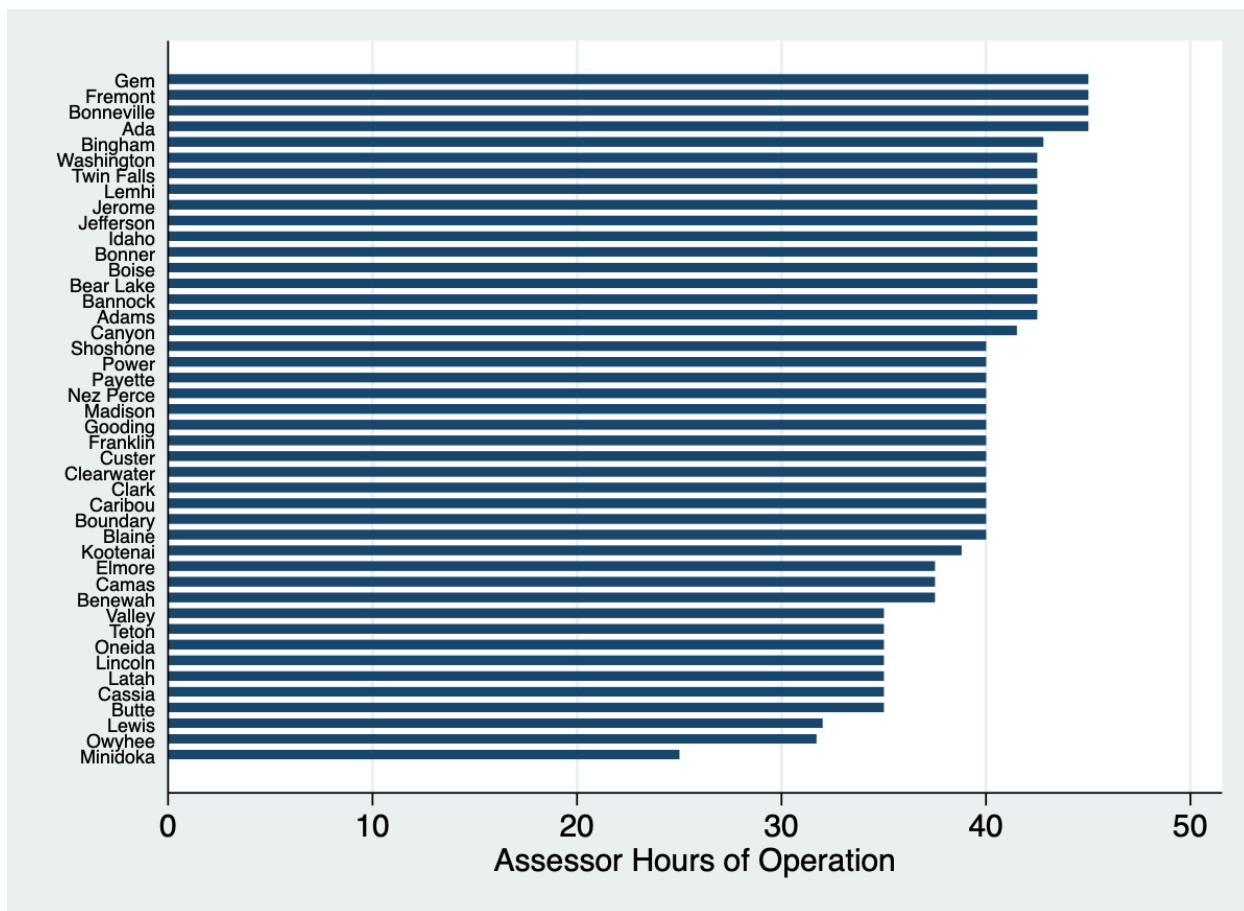


Figure 2.4 Assessor office weekly hours of operation

Figure 2.4 Note: IPI analysis based on ITD list of data collected through county websites, social media accounts, and office contacts. Jefferson County average does not include Mud Lake office, which is open twice a month.

Assessor agents rated their offices’ number of days open and hours of operation. Nearly all agents (n=98) reported “just about right” for both categories, with only five agents responding that there are too few hours and three responding too few days. Two agents responded that their county offices are open too many days of the week.

Driver services

County sheriff offices experience similar inconsistencies in delivering driver services (see Figure 2.5). Ada County and Clark County, the most populous and least populous counties, each have one sheriff office. The six most populous counties (Ada, Canyon, Kootenai, Bonneville, Twin Falls, and Bannock) are home to nearly 1 million licensed drivers, approximately two-thirds of all Idaho drivers, but have a combined eight sheriff offices—the same number as the state’s eight least populous counties (Clark, Camas, Butte, Lewis, Custer, Adams, Oneida, and Lincoln), which only have 24,000 combined licensed drivers.

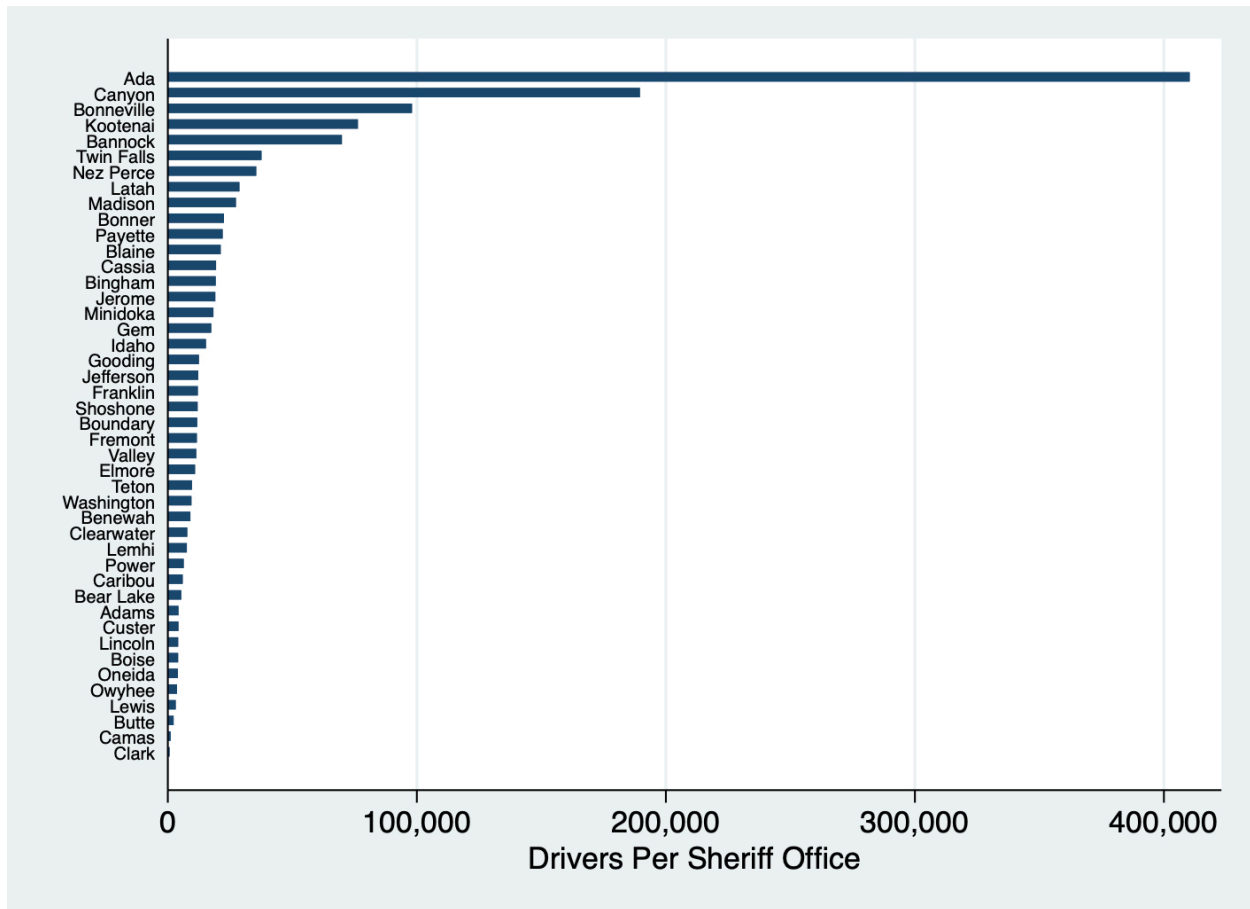


Figure 2.5 Licensed drivers per sheriff office

Figure 2.5 Note: IPI analysis based on number of active credentials (October 2021 data) and county office directory (July 2021 data) shared by ITD. Sheriff offices that have recently opened, such as Ada County’s new Meridian office, are not reflected in this data.

Sheriff agents rated the number of offices in their counties based on customer demand. Among 48 responding agents, all but seven feel that there are just about the right number of offices. However, six of 13 agents in District 1 responded that there are not enough offices.

Individual agents in sheriff offices are also responsible for delivering driver services to a varying number of licensed drivers depending on the county (see Figure 2.6). For instance, there are an average of 14,000 licensed drivers for each of Bonneville County’s seven transaction-processing agents, while there are only 320 drivers for each of Clark County’s two agents.

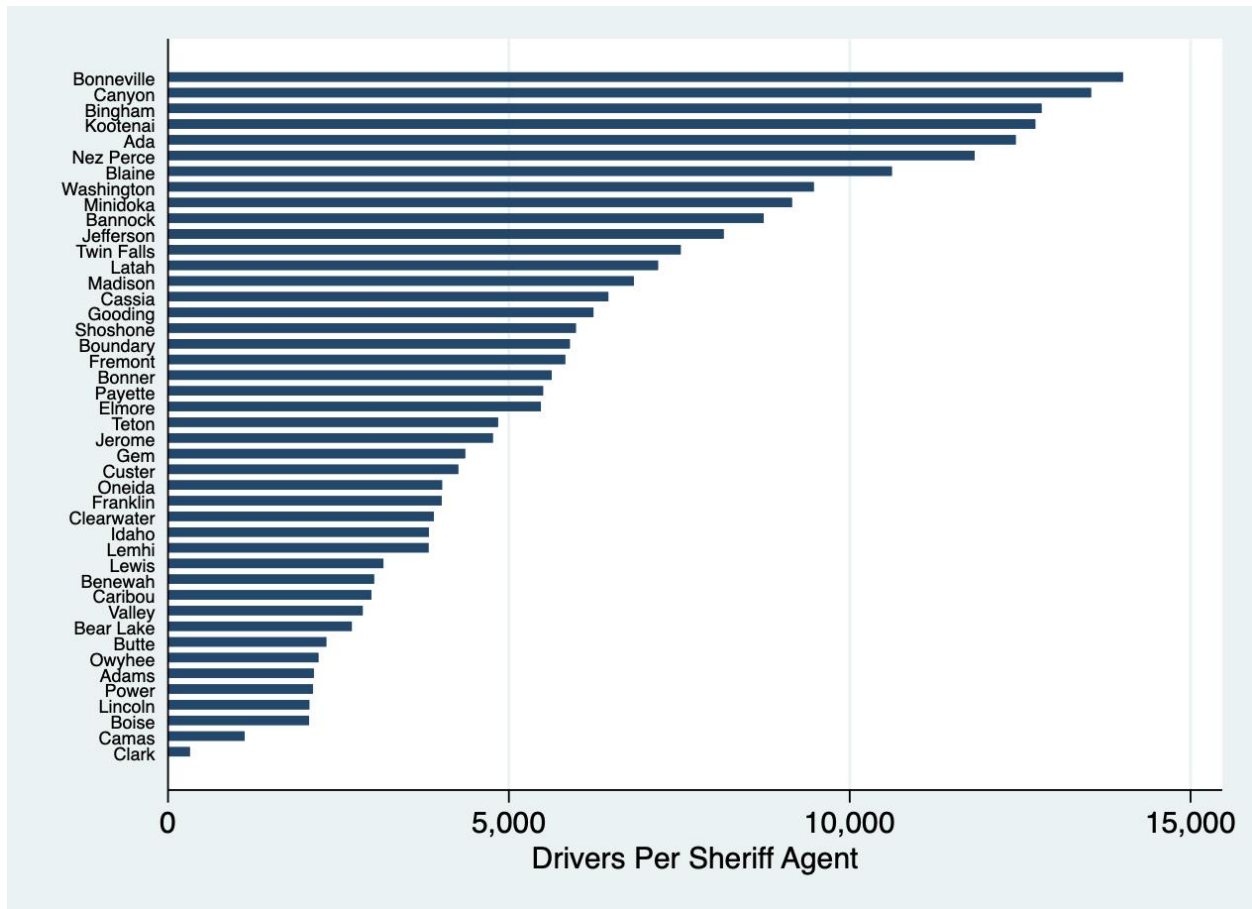


Figure 2.6 Licensed drivers per sheriff agent

Figure 2.6 Note: IPI analysis based on number of active credentials (October 2021 data) and individual agent transactions between October 1, 2020 and September 30, 2021. IPI’s analysis limits county agent counts to those who average at least 22 transactions per month (one per business day), assuming that such agents are full-time and whose primary responsibilities include processing transactions. Those with fewer transactions are assumed to be providing temporary assistance with primary job responsibilities that do not include processing transactions.

Sheriff agents rated the number of agents in their counties based on customer demand (see Table 2.3). “Not enough” was the most common response in Districts 1 and 3; a majority responded “just about right” in Districts 2, 5, and 6; and agents’ perceptions in District 4 were evenly split.

Table 2.3 Sheriff agent perceptions on number of agents

District	Not enough	Just about right	Too many
District 1	7	6	1
District 2	2	5	0
District 3	8	5	0
District 4	2	2	0
District 5	3	5	0
District 6	2	4	0

The disparity between the number of licensed drivers and sheriff agents across counties leads to substantially heavier or lighter transaction workloads for certain county agents (see Figure 2.7). Washington County has half as many driver transactions (3,600) as Jerome County (7,300) but Washington’s sole transaction-processing agent has to process twice as many transactions as the average agent in Jerome (1,800), where the workload is divided among four agents.

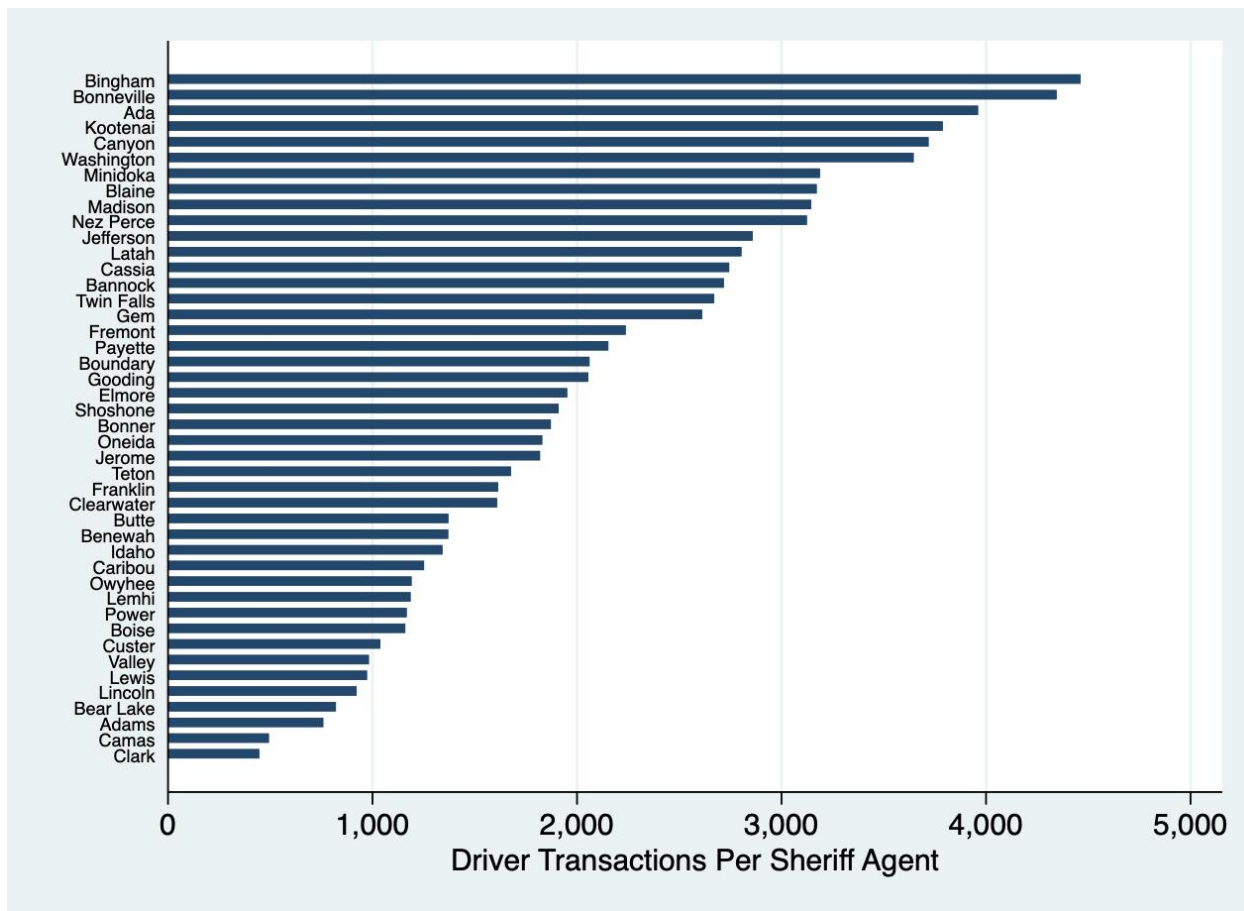


Figure 2.7 Driver transactions per sheriff agent

Figure 2.7 Note: IPI analysis based on number of driver transactions and individual agents between October 1, 2020 and September 30, 2021. IPI’s analysis limits county agent counts to those who average at least 22 transactions per month (one per business day), assuming that such agents are full-time and whose primary responsibilities include processing transactions. Those with fewer transactions are assumed to be providing temporary assistance with primary job responsibilities that do not include processing transactions.

Similar to assessor availability, sheriff office hours vary widely by jurisdiction: 20 counties offer driver services for 40 hours per week, while 17 counties extend hours of operation and 7 counties limit hours (see Figure 2.8). This range includes 50 hours per week in Kootenai, Gem, and Ada, contrasted with offices in Owyhee that average 30 hours per week.

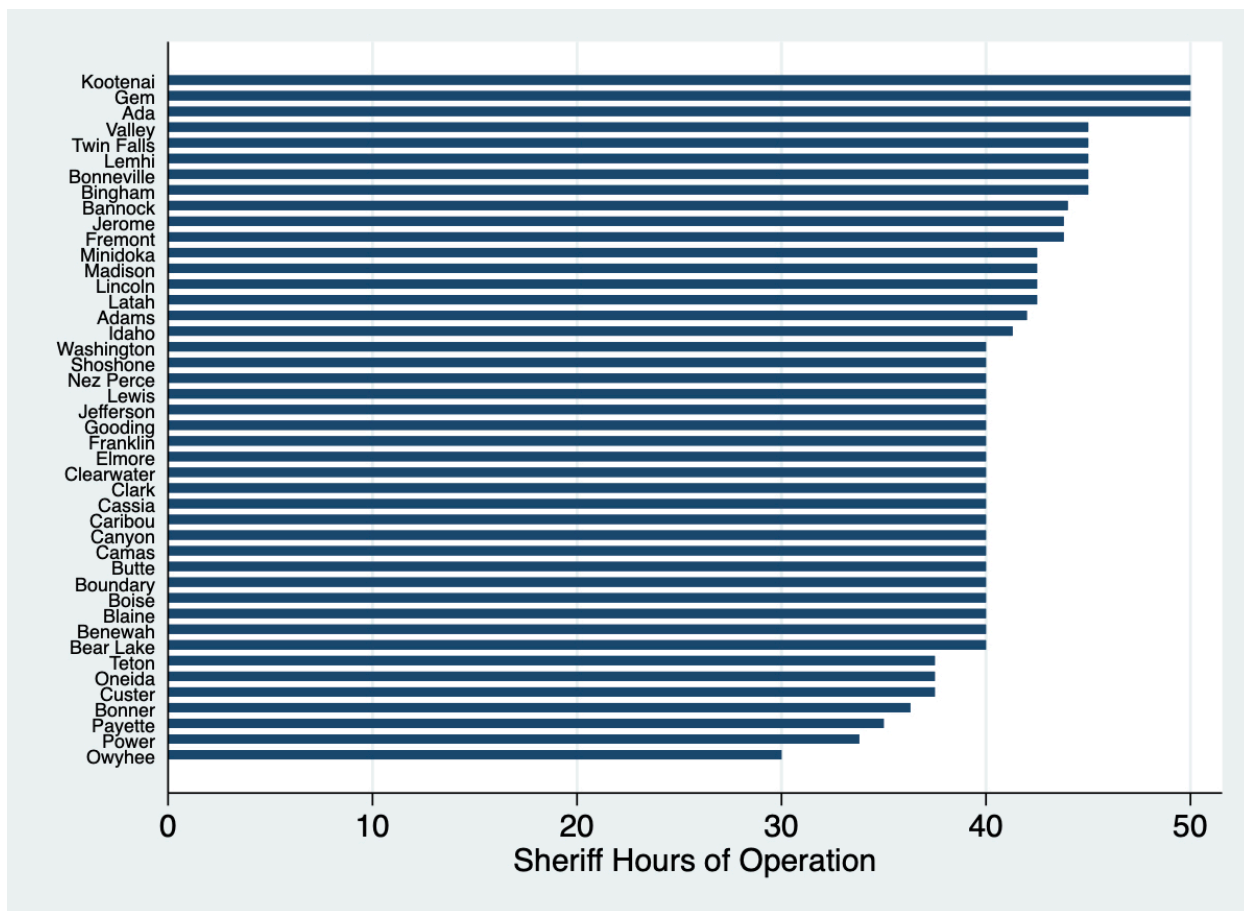


Figure 2.8 Sheriff office weekly hours of operation

Figure 2.8 Note: IPI analysis based on ITD list of data collected through county websites and ITD website. Jefferson County average does not include Mud Lake office, which is open twice a month.

Sheriff agents rated their offices’ number of days open (n=51) and hours of operation (n=52). Most agents reported “just about right” for both categories, with only five agents responding that there are too few hours and three responding too few days open. Two agents responded that their county offices are open too many hours and one agent indicated too many days of the week.

Policies

Under the current model, each jurisdiction determines its own policies related to customer restrictions, service delivery methods, performance metrics, and non-DMV services offered.

Most agents reported that their counties provide services to residents from other counties, with only a few placing restrictions on residents during such transactions (see Table 2.4).

Table 2.4 Does your county provide DMV services for residents from other Idaho counties?

County population size	Yes, no restrictions	Yes, with restrictions	No
Less than 10,000	24	1	0
Between 10,000-50,000	70	7	2
Over 50,000	64	0	0

Examining how transaction volumes are associated with county nonresident policies, neither vehicle transactions per assessor agent (0.07) nor driver transactions per sheriff agent (-0.01) were strongly correlated with out-of-county customer restrictions.

Among offices refusing or restricting service, limitations are imposed due to a high number of out-of-county customers or transactions, overly busy or limited staff, an obligation to serve their own residents and taxpayers, and precautions during the COVID-19 pandemic. The restrictions include requiring out-of-county customers to make appointments, giving county residents priority, limiting the number of transactions per person, only processing emergency transactions, and only serving residents of neighboring counties.

Counties and their offices determine the metrics that are used to guide service delivery. The most common metrics are transaction times, wait times, transaction quantity, customers served, and individual agent data. Using this data, jurisdictions choose to implement steps to improve service delivery for their residents. The most popular steps include implementing an appointment system or onsite drop box, in part due to the COVID-19 pandemic; hiring more staff because of employee turnover and/or population growth; increasing processing efficiency through additional ITD-provided training or new transaction methods; accepting more or fewer walk-in customers; implementing a queuing system; operating outside normal business hours; increasing or promoting online services; and improving the office space by changing locations, opening new offices, or remodeling facilities.

Some county offices require agents to provide non-traditional DMV services (see Table 2.5).

Table 2.5 Are your DMV staff expected to provide services unrelated to DMV functions?

County population size	Yes	No
Less than 10,000	4	4
Between 10,000-50,000	10	14
Over 50,000	1	11

Given the nature of their office, sheriff agents are responsible for processing concealed weapons permits and sex offender registrations, providing services for the county jail, dispatching law enforcement, and issuing warrants. Some assessor agents are responsible for services related to property taxes and other assessor programs. These are all functions that county agents provide in addition to their DMV duties.

External impacts

Recent population growth and other external barriers impact the ability of county offices to efficiently deliver DMV services.

Population growth has significantly impacted the work of most DMV agents, especially ones working in more populous counties (see Table 2.6).

Table 2.6 To what degree have changes in your county's population impacted your office?

County population size	Significant impact	Moderate impact	Low impact	No impact
Less than 10,000	6	11	4	1
Between 10,000-50,000	39	26	7	2
Over 50,000	45	13	1	1

Among agents reporting any degree of impact, the most common consequences of population change are increased numbers of customers and transactions, longer wait times, hiring more agents and staff,

experiencing more overflow from other counties, and longer transaction times, especially since processing new residents is more time consuming than serving existing residents.

A sizable portion of DMV agents reported that their transaction-processing efficiency is limited by other outside factors, but agents most commonly reported no barriers (see Table 2.7). Among those that did, agents mainly noted unique barriers unrelated to other responses. The few following a theme relate to issues with the GEM system, possibly due to the recency of its rollout and agents’ familiarity with the previous system (see Benefits and Challenges). Some also reported experiencing wait times and receiving inconsistent information when calling the help desk in Boise.

Table 2.7 Are there any barriers that prevent you from more efficiently delivering DMV services?

County population size	Yes	No	Unsure
Less than 10,000	8	10	3
Between 10,000-50,000	31	35	9
Over 50,000	22	26	11

Benefits and Challenges

Idaho’s system of state-level oversight and county-level administration has a number of benefits and challenges. Through interviews with DMV administrators at both levels of government, several key trends and themes emerged.

The identified benefits are largely characterized by local-level customer interactions, flexibility, and autonomy. Interviewees feel county-level administration allows for a quality connection with local customers. Many expressed concern that a change to state-level administration or regionalized offices would negatively impact this connection. The autonomy of the current system is valuable to those working within it. Interviewees highlighted that less control from the state means that counties can largely self-manage based on their knowledge of the community they serve as well as the county’s individual needs. However, they also acknowledge that the state provides necessary equipment and ensures that it is adequately serviced. Overall, advantages of the current system focus on allowing for local points of services and interviewees emphasized that it was about local access, not just local control.

Idaho’s system features a number of challenges. County interviewees often centered on the tension and disconnect between state oversight and county administrators. A common example of this disconnect is counties having to administer services through a state system they have no control over. Counties face

the consequences of issues with the state system and cannot make changes based on customer complaints. It is important to note that ITD has a process in place for receiving county feedback regarding various issues and has used that information to implement hundreds of system improvements.

Another source of tension stems from county administrators feeling the state doesn't always listen to the people working on the front line. An example from the interviews is the GEM rollout. County-level employees provided feedback ahead of the rollout but felt their feedback was not sincerely received or considered by the state, leading to issues with the rollout that otherwise could have been avoided. At the state level, ITD provided GEM training and counties were expected to set time aside to complete the training in the test system. However, county engagement with the training fell short of ITD's expectations. Shared responsibilities in the current service delivery model make it hard to establish expectations between each side and, when expectations are not met, difficult to enforce compliance.

Funding is also seen as a common challenge. Some county officials see administering DMV services as an unfunded state mandate, citing a study that found counties statewide faced an approximate \$3.5 million deficit in order to fulfill their service obligations. While county officials direct their frustration on ITD, the funding challenge is a direct consequence of county control. Whether local officials feel as though they have adequate resources and financial support largely depends on the level of support they receive from commissioners. This contributes to the lack of standardization across counties and explains why customers experience more or less efficient DMV services depending on the county in which they reside. ITD does provide county offices with equipment, training, backend support, and other resources to offset the financial burden for local administrators. ITD is also able to scale resources in areas that otherwise may not be able to procure such resources on their own.

The final challenge is that Idaho Code assigns responsibility for vehicle and driver services to two separate county officials, creating unnecessary layers in the administration of DMV services. While the sheriff and assessor in each county have the option to pool resources and jointly deliver vehicle and driver services, the functions are separated by default and nearly all county officials choose to preserve this separation. The variation between counties can be a disadvantage, particularly in that it can be confusing for customers.

In terms of the relationship between both levels of government, there is a disconnect between each side's perceptions. As noted, ITD perceived a lack of engagement from counties leading up to the GEM rollout despite offering training opportunities, while county officials felt their feedback was not taken into account. Service delivery under the current arrangement is supposed to function as an equal partnership between ITD and the counties, but in practice often leads poorly understood and executed expectations and responsibilities. For example, some county DMV websites claim a recent increase in fees was due to an ITD rule, yet any change in transaction compensation is a legislative decision. It is important to understand the perceptions among county officials and recognize the competing interpretations of Idaho's DMV structure between different levels of administration.

3. Service Delivery Alternatives

The survey of 27 state DMV administrators identified five distinct service delivery model types that states use to provide driver’s license, vehicle registration, and vehicle titling services. This section describes each model’s arrangement, summarizes applicable statutes and regulations supporting its structure in representative states, and discusses various benefits and challenges based on interviews with DMV administrators and previous state studies.

Driver’s license services are delivered according to four models (see Figure 3.1). The most common type is state only (16 states), followed by state-local (6), state-private (4), and state-local-private (2).

DL Model Type

■ State Only ■ State-Local ■ State-Local-Private ■ State-Private

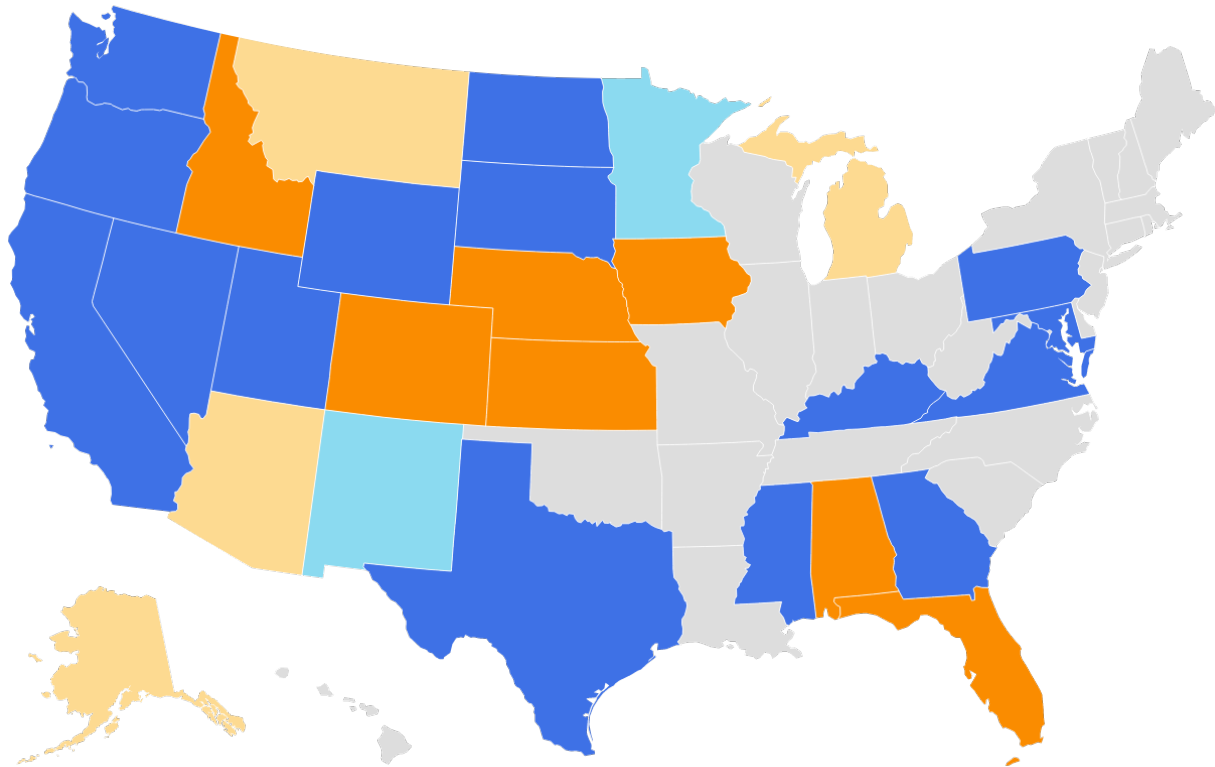


Figure 3.1 Driver's license service delivery models

Figure 3.1 Note: Classification based on IPI analysis of data collected through a survey of 27 state DMV administrators. Typology only includes states that provided sufficient information.

Vehicle registration services cover all five models (see Figure 3.2). Compared to driver’s license, delivery of these services involves more private partnerships and shared responsibilities with local governments. The most common arrangements are state-local-private (8 states), state-local (7), and state-private (6), with fewer states using state only (3) and local only (3).

VR Model Type

Local Only State Only State-Local State-Local-Private State-Private

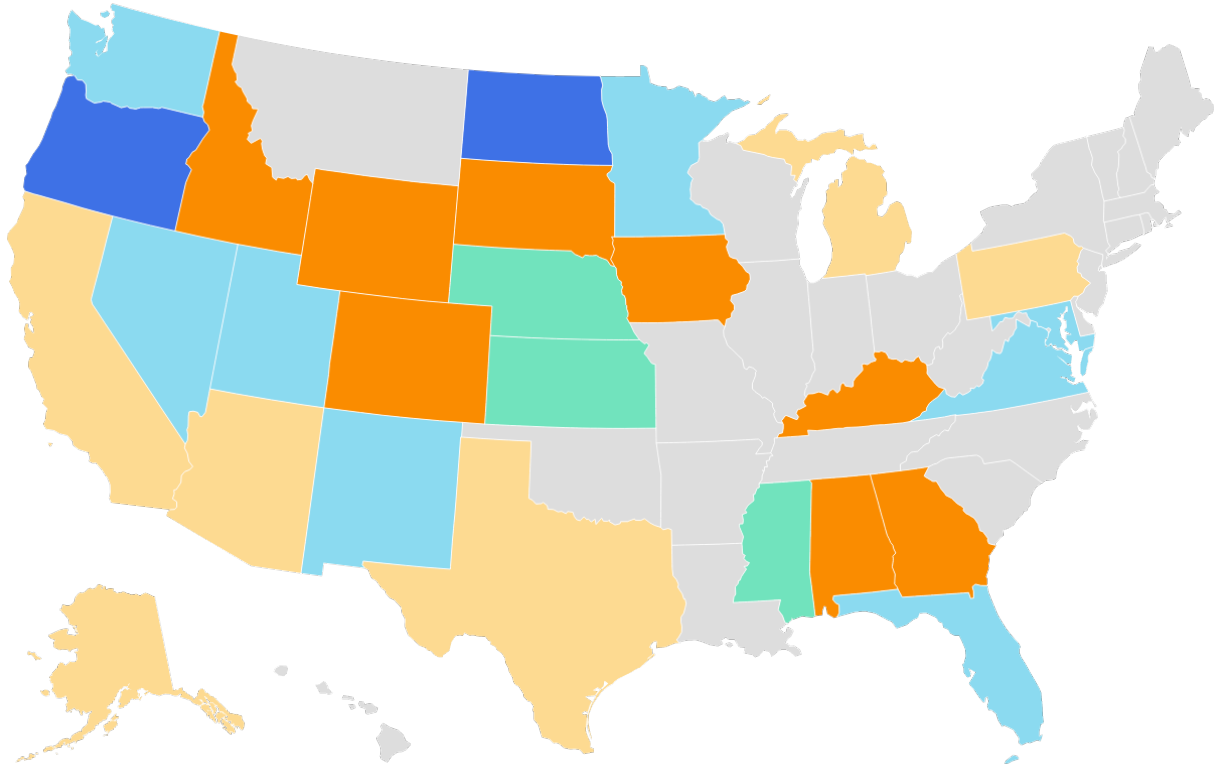


Figure 3.2 Vehicle registration service delivery models

Figure 3.2 Note: Classification based on IPI analysis of data collected through a survey of 27 state DMV administrators. Typology only includes states that provided sufficient information.

Vehicle titling follows a similar pattern, though some states have separate arrangements for each service and a unique sixth model type, local-private, is used in Florida (see Figure 3.3). The most common types are state-local (7 states), state-local-private (6), state only (6), and state-private (5), while a few more states are classified as local only (2) and local-private (1).

VT Model Type

Local Only Local-Private State Only State-Local State-Local-Private State-Private

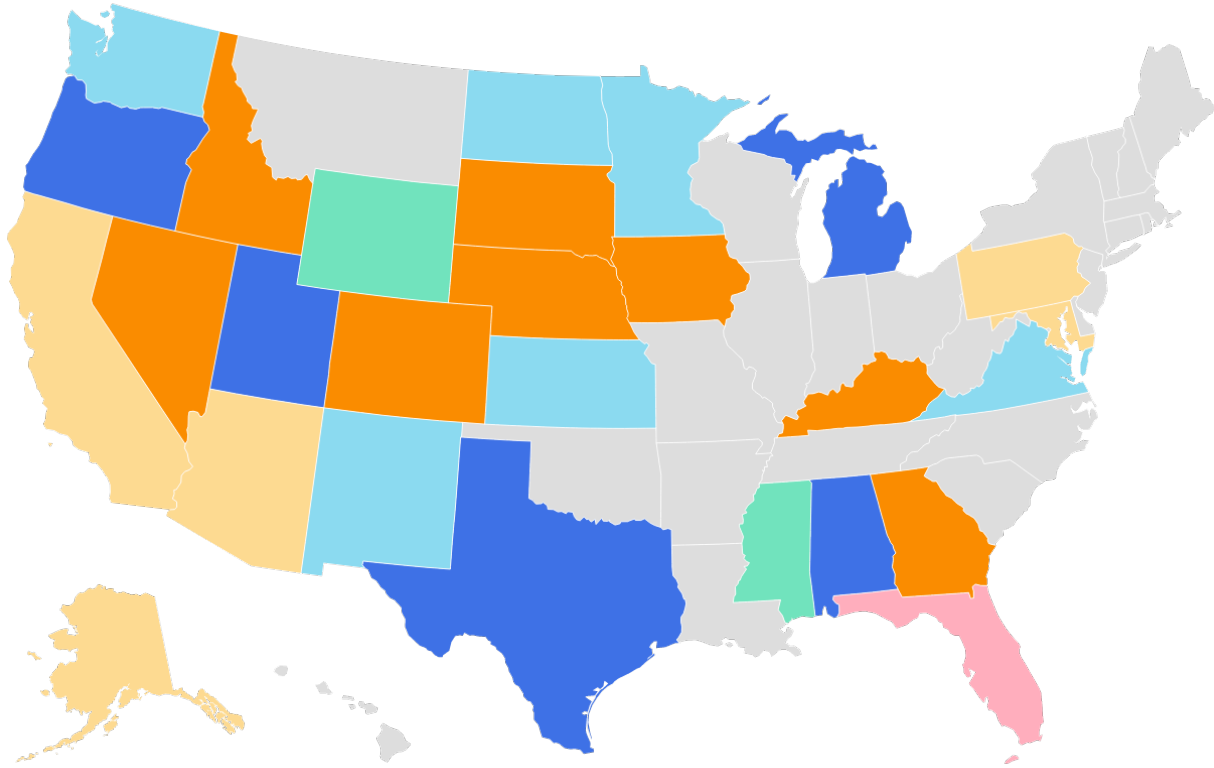


Figure 3.3 Vehicle titling service delivery models

Figure 3.3 Note: Classification based on IPI analysis of data collected through a survey of 27 state DMV administrators. Typology only includes states that provided sufficient information.

State Only Model

In the state only model, the state is mainly responsible for delivering driver and vehicle services. In this model, the role of third party entities (counties, municipalities, and private organizations) is not significant. Based on the state DMV survey, 15 states, including a territory, have a state only model for driver's licenses: Georgia, Kentucky, Maryland, Mississippi, Nevada, North Dakota, Oregon, Pennsylvania, South Dakota, Texas, US Virgin Islands, Utah, Virginia, Washington, and Wyoming. Six states have a state only model for vehicle titles: Alabama, Michigan, Oregon, Texas, US Virgin Islands, and Utah. For vehicle registrations, three states are included: North Dakota, Oregon, and US Virgin Islands.

Statutes and regulations

Examples of legal frameworks supporting the state only model include Oregon and North Dakota statutes and regulations (see Appendix A). Oregon Statute specifies that the Department of Transportation (ODOT) is responsible for the administration of laws relating to motor vehicle registration and titling (§ 802.010) and enables the department to purchase the facilities needed to administer vehicle services (§ 802.020). Statute declares ODOT is not prohibited from adopting rules to designate vehicle dealers as agents to title and register any vehicle that the dealer sells (§ 802.031). However, evidence suggests the department has not adopted any rules allowing dealers to serve as agents. One notable rule issued by ODOT (735-030-0055) requires local jurisdictions to enter into an intergovernmental agreement with DMV to collect county or district registration fees.

North Dakota Code specifies the powers and duties of the Department of Transportation (NDDOT) and its director including the ability to “adopt and enforce such administrative rules, designate such agencies, and establish such branch offices, including contracted branch offices, as may be necessary to carry out the motor vehicle and driver’s license laws...” (§ 39-02-03). The section also specifies that branch office contracts may extend five years and are eligible for renewal, but new vendors must be considered before renewing an existing vendor’s contract. Code authorizes the director to set a maximum service fee by branch offices but also sets the upper limit at \$10 per service (§ 39-02-03). The section authorizes NDDOT to lease or provide office space to independent branches. In Administrative Code, NDDOT spells out that fees charged by branch offices must be formally agreed upon between the office and the director (37-12-06-01).

Benefits and challenges

IPI conducted interviews with administrators across states using this model to gain insight on the effects, both positive and negative, of a state only model. With a state only system, customers can access DMV services at any office across the state, as opposed to only in their county of residence, as well as through online and mail-in options. Counties are not faced with the burden of raising funds to administer DMV services, and all revenue goes directly to the state. All DMV employees are state employees, making training easier to mandate and implement. Other advantages discussed include the ease of having all information in one place and increased overall efficiency as a result of economies of scale.

Many disadvantages of the model are related to the advantages. For example, state control leads to fewer regional offices including the possibility of no offices in some counties or offices with limited hours resulting in a decrease in customer access. The long process often inherent in hiring state employees can be frustrating as well. Other disadvantages cited were the impact of centralization on bottlenecks involving a single computer group and human resources department, moving the DMV into law enforcement services such as DUI enforcement and speeding-related penalties, and system complications due to heavier administrative loads. Interviewees mentioned moving or closing offices can become a political issue, with state legislators working to keep offices in their districts. The DMV faces

pressure as the primary public-facing entity for many customers in government interactions, and therefore finds itself on the frontlines of interfacing with the public on behalf of the government.

State-Local Model

The state only model becomes a state-local model when the state engages local governments (counties or municipalities) in service delivery. The role of these localities is substantial as they share the service delivery responsibility with the state. This model can take the form of a state-county, state-county-municipality, or state-municipality model. For driver's licenses, Alabama, Colorado, Florida, Iowa, Kansas, and Nebraska classify as the state-county model. The state-local model of vehicle titles includes Colorado, Georgia, Iowa, Kentucky, Nebraska, Nevada, and South Dakota, all of which are the state-county model. The state-local model of vehicle registrations includes Colorado, Georgia, Iowa, Kentucky, South Dakota, Wyoming (state-county) and Alabama (state-county-muni).

Statutes and regulations

Examples of legal frameworks supporting the state-local model are Kentucky (vehicle services) and Colorado (see Appendix A). Under Kentucky Statute, the Transportation Cabinet is charged with administering laws and enforcing regulations related to motor vehicles (§ 186.400). County clerks are tasked with issuing vehicle registrations and are authorized to maintain branch offices in each legislative district (§ 186.014). The Transportation Cabinet is tasked with providing forms and plates to county clerks, keeping centralized records, and auditing clerks (§ 186.240). For driver services, a recently enacted law will strip circuit clerks of their responsibility for licensing drivers, which will be administered by the state in regional offices beginning in 2022 (§ 186.490).

Colorado Statute authorizes the executive director of the Department of Revenue to make uniform rules and regulations (§ 42-1-204) as well as the ability to enforce state uniformity among local jurisdictions (§ 42-1-203). § 42-1-210 allows for authorized agents, including third parties, to employ registration and license clerks and also sets additional fees that agents may retain. § 42-1-231 grants authorized agents the opportunity to work with a private provider to conduct a kiosk program.

Benefits and challenges

IPI conducted interviews with administrators in states using the state-local model to understand its advantages and disadvantages. Through memoranda of understanding (MOUs), counties have more autonomy to provide services, especially in rural areas. County officials can charge fees for transactions, allowing counties to benefit from additional revenue. In some cases, when online services are offered, funds are distributed between the state and county the same way as if the transactions had occurred in person. Counties administering DMV services also have a clearer understanding of the needs of their customers than the state would on its own. Another advantage occurs when states and counties are partners, with autonomous county agents overseen by the state with a common goal of making services more available. Good communication in state-county partnerships is also valuable and may include

security agreements, access to fixing and replacing equipment, or a centralized call center. Interviewees also mentioned the ability to address population shifts from rural to urban areas by adding offices and encouraging online renewals as an advantage to the model.

Disadvantages occur when states and counties are responsible for different operations, causing confusion among customers over which offices perform which functions. Additionally, counties are concerned that their facilities and technology are ill-equipped for changes and growth. Some smaller offices and counties are concerned about the long-term sustainability of in-person operations and jobs as the system shifts to more online transactions. Finally, the state having to manage local offices in addition to state offices may cause decreased efficiency in operations.

State-Private Model

The previous two models, state only and state-local, are purely public. In the state-private model, the state invites third party private entities to participate in service delivery. The state-private model of driver's licenses includes Alaska, Arizona, Michigan, and Montana, while the state-private model of vehicle titles includes Alaska, Arizona, Maryland, and Pennsylvania. Alaska, Arizona, Michigan, Pennsylvania, and Texas use the state-private model for vehicle registrations.

Statutes and regulations

Examples of legal frameworks supporting the state-private model include Arizona and Michigan statutes and regulations (see Appendix A). Arizona Statute establishes county assessors as agents of the department, and assessors that enter into an agreement with the director of the Department of Transportation (ADOT) may establish offices for issuing licenses (§ 28-2002). Statute allows for contracting to transfer the duties and responsibilities of the county assessor to the department, which provides for the transfer of property, available funds, and employees (§ 28-2006). It also enables ADOT's director to authorize third party services for driver and vehicle services (§ 28-5101).

Michigan Vehicle Code structures the state-private model for driver's license and vehicle registration services. § 257.202 establishes the secretary of state as the exclusive state agent for DMV administration. § 257.203 enables the secretary of state to appoint "deputies, subordinate officers, clerks, investigators, and other employees as necessary" to administer services. § 257.205 mandates that at least one office is located in each county and in each city with a population greater than 10,000 but notes exceptions for various communities based on population and geography.

Benefits and challenges

Interviews with state administrators shed light on the state-private model. Interviewees appreciate the expanded access and ease of use provided by agreements with private vendors for service delivery. Additionally, the model allows for cost savings and increased capacity at the county level, along with

control over staff training. Overall, the model permits the DMV to speak with one voice and regularly streamline the centralized system.

Interviews brought up disadvantages as well. For private entities, opening an office in more highly populated areas may be more lucrative and therefore more appealing, leading to better access and greater capacity in those areas. However, as urban-area state offices become more crowded, customers may drive to rural offices with lower capacity. In addition, some issues fall to the state due to its greater access to resources than local governments. An example of such an issue is mobile homes, which exist in the margins between state responsibility (as a motor vehicle) or county responsibility (as real property). This can lead to scope creep. Interviewees also dislike the tradeoff between control and responsibility, being solely accountable for problems, and the high level of effort required to oversee private offices.

State-Local-Private Model

Some states offer a multi-layered model, including all types of participants, in the state-local-private model. Minnesota and New Mexico provide driver's licensing service by partnering with counties, municipalities, and private entities. The state-local-private model of vehicle titles includes Minnesota, New Mexico, Virginia (state-county-muni-private), Kansas, North Dakota, and Washington (state-county-private). Minnesota, New Mexico, and Virginia provide vehicle registration service together with counties, municipalities, and private entities, while Florida, Maryland, Nevada, Utah, and Washington deliver services without the participation of municipalities (state-county-private).

Statutes and regulations

Examples of legal frameworks supporting the state-local-private model include Minnesota and New Mexico statutes and regulations (see Appendix A). In Minnesota, § 168.325 establishes the Division of Driver and Vehicle Services within the Department of Public Safety (DPS). § 168.33 allows the commissioner to appoint deputy registrars who can be representatives of a city, county, or business. § 171.061 describes the role of a driver's license agent and establishes regulations regarding their appointment, application, fees, and equipment. In Administrative Rules, DPS provides additional guidance on driver's license agents' office locations, appointment procedures, office requirements, and administrative sanctions (Chapter 7404). DPS also establishes procedures and requirements for deputy registrars, spelling out the role for county, city, and private representatives (Chapter 7406).

New Mexico Motor Vehicle Code establishes the Motor Vehicle Division (MVD) within the Taxation and Revenue Department, charges it with administering services in cooperation with state and local agencies (§ 66-2-3), and empowers the secretary to appoint and terminate agents (§ 66-2-14). § 66-2-14.1 allows for certain classes of counties and municipalities to become motor vehicle registration agents. § 66-2-16 specifies administrative fees and places exclusions on counties and municipalities with more than 300,000 residents. § 66-6-25 further defines the fees that counties and municipalities are able to charge for vehicle registration.

Benefits and challenges

Interviews highlighted the advantages of the state-local-private model. Private offices allow for greater efficiency, focus more on customer satisfaction, and emphasize repeat business from customers. With private offices to process a segment of transactions, the workload of state offices is reduced. The system also allows for more creativity in how to serve customers, including how to deliver more services online. Additionally, while it may not be economically feasible for the state to open DMV offices in small towns, the counties or the towns themselves can act as private partners and open DMV offices providing services that otherwise would not have been as accessible to rural residents. States often have a single template agreement for all private entities, but the partner model allows for flexibility in the relationship between private entities and the state.

Another significant advantage is the ability for cost sharing. Rather than placing all burdens on individual local offices, costs are shared with the state, who has more capacity to cover the cost. Economies of scale contribute to decreased costs, particularly through training, IT systems, and staff salaries. A centralized system is viewed as more efficient than a decentralized one. An example of the benefits of state-level centralization is an appointments system, where most appointments are made online for in-person offices, but customers also have access to a centralized call center. Overall, interviews reflected on the advantages of the system through its robustness, resilience, and ability to scale, specifically in response to growth.

Interviews with state administrators also revealed a number of disadvantages. These include concerns about being too reliant on a single vendor, the high cost of the system, and issues providing adequate access and availability in rural areas. Interviewees also discussed inconsistent quality between privately-run and government-run offices and difficulty measuring and evaluating quality delivery. There is also inconsistency in staff training, leading to customers receiving different advice depending on what office they go to, as well as tension over fees collected online going to the state instead of the county.

Local Only Model

The local only model is unique in that the state government is not the key service provider. Instead, the state has a marginal or no role and services are delivered primarily by counties or municipalities. No such purely local model exists for driver's licensing, but the model is used for vehicle titles in Mississippi and Wyoming (county only) and Florida (county-private). The county only model is used for vehicle registrations in Kansas, Mississippi, and Nebraska.

Statutes and regulations

Examples of legal frameworks supporting the local only model include Hawaii and Nebraska (vehicle registration) statutes and regulations (see Appendix A). In Hawaii, § 286-16 authorizes the director of transportation to prescribe standards and procedures for driver and vehicle services. § 286-17 gives the

director the powers and duties to enforce rules but allows for these responsibilities to be delegated to county executive officers.

In Nebraska, § 60-372 authorizes counties to issue vehicle registration certificates using the Vehicle Title and Registration System, which is maintained by the Nebraska DMV, and it also enables county treasurers to appoint agents to provide registration services and collect fees.

Benefits and challenges

A 1990 report on Hawaii's DMV administration provides a clear example of the benefits and challenges within a local only model. The report explains that "many of the basic aspects of Hawaii's system to provide and administer motor vehicle functions are handled as if Hawaii were four separate states" (Dendle and Josephson 1990). While the report evaluated the feasibility of moving to state centralized DMV administration, services are still administered entirely at the county level. The strong emphasis on counties is largely due to the geographic constraints present in a state made of islands. The report identified five policy deficiencies with Hawaii's local model: the need for centralized decision making, the need for efficient and equitable provision of services, the need for central data processing/management, the ability to retain the counties' ability to set local weight taxes and collect the revenue from fees, and the need for statewide standardization of forms, procedures, safety inspection, enforcement, and interpretation of the services.

The report also found several advantages with a local only system. The authors acknowledged the local system effectively and efficiently met the basic needs of both the state and local governments. The system also allowed counties to set and collect revenue directly. The unique geography of Hawaii necessitates some level of decentralization, and the local only model meets that need. The report repeatedly emphasized that the local only model was an effective mode of service delivery to customers overall, despite administrative issues that may stem from a lack of centralization.

However, the report also found disadvantages to the local only system. These include a lack of a centralized database at the state level, lack of clarity on the agency responsible for certain services, issues with priority, and management of commercial driver's licenses. Other issues include organizational differences because autonomous registration, titling, fees, and procedures between counties cause confusion for the general public. This includes rental car agency complications, poor customer service, and issues with identifying salvaged and recovered vehicles. Further disadvantages include inconsistent motor vehicle inspection and operator licensing, varied license and plate design, and lack of a standard manual. Overall, most of the issues stem from county system autonomy, especially in the event that a vehicle or person moves to a different county.

Partnership Agreements

Many service delivery models utilize local government or third party partnerships to provide DMV services. In states where counties or municipalities are responsible for administering services, twice as

many state agencies have MOA/MOUs with local governments compared to states without formal agreements (see Table 3.1).

Table 3.1 Does your agency employ an MOA/MOU with local governments?

Response	Count
Yes	12
No	6
Other	1

The AAMVA Third Party Agents Working Group “recommends a jurisdiction always have a contract or MOU with any third party agent processing driver or vehicle transactions” (AAMVA 2021, 24) and identifies several best practices for third party contracts and MOUs. The group recommends that such agreements specify each entity’s roles and responsibilities related to equipment and inventory, fee collection, bonding and insurance, service advertisements, administrative terms and conditions, data privacy and security, technological hardware and software, and standards of performance and compliance (AAMVA 2021).

AAMVA provides a model law for enabling departments to contract for motor vehicle registration and titling and second model law specifying the administration of such services by third parties. The first model law contains two brief subsections: “(1) The department may enter into an agreement with public or private persons or agencies for the issuance of motor vehicle titles and registrations. (2) The department may promulgate administrative rules [and regulations] to implement this section” (AAMVA 2022a). The second model law authorizes third parties to provide motor vehicle registration and titling services, detailing licensing requirements, department powers and duties, application procedures, bond requirements, background investigations, record maintenance, application denials, and revocation or suspension of license (AAMVA 2022b).

New Mexico is an example of a state that has both a statute (§ 66-2-14 NMSA 1978) authorizing the state department to appoint “agents”—referring to a county, municipality, or military installation—to provide driver and vehicle services, and a standard department agreement further detailing such relationships with local jurisdictions. The state’s Taxation and Revenue Department, which oversees the Motor Vehicle Division (MVD), enters into service provider agreements that detail each entity’s responsibilities. The agreement (see Appendix B) stipulates financial responsibilities, provider qualifications, provider responsibilities and requirements (i.e., personnel, training, audits, inventory and supplies, security, user identity management), MVD responsibilities, electronic records and recording,

provider compensation, confidentiality, agreement term (four years with an option of automatically extending to eight years), and other legal clarifications.

4. Model Comparison

This section examines state metrics related to driver and vehicle services, comparing states according to number of offices, agents, transactions, wait time, and hours of operation. Jurisdictions that have combined vehicle titling and registration operations (18 states) are reported together while ones with independent offices are reported separately (9 states).

Driver's License

Driver's license (DL) service delivery and its outcomes vary by state (see Table 4.1). Most states report DL transaction times between 5-10 or 11-20 minutes, while Texas and Montana average 21-30 minutes per transaction. Few states report wait times, but among those that do, North Dakota and Michigan (4 minutes or less) average the shortest typical wait times, and Florida and Montana (more than 30 minutes) have the longest.

Table 4.1 Driver's license metrics by state

DL Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State Only	California	171	4,000	11,500,000	2,875	n/a	21-30 min	10
State Only	Georgia	67	650	2,500,000	3,846	5-10 min	11-20 min	10
State Only	Kentucky	30	190	1,300,000	6,842	5-10 min	Other	8
State Only	Maryland	24	1,024	1,319,884	1,289	11-20 min	21-30 min	8
State Only	Mississippi	33	200	800,000	4,000	5-10 min	21-30 min	9
State Only	Nevada	18	570	n/a	n/a	n/a	n/a	9
State Only	North Dakota	19	60	112,000	1,867	5-10 min	<4 min	9
State Only	Oregon	60	450	n/a	n/a	5-10 min	11-20 min	9
State Only	Pennsylvania	103	n/a	n/a	n/a	n/a	n/a	n/a

DL Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State Only	South Dakota	57	n/a	n/a	n/a	n/a	n/a	n/a
State Only	Texas	230	2,500	7,275,668	2,910	21-30 min	Other	9
State Only	US Virgin Islands	3	5	15,000	3,000	11-20 min	Other	8
State Only	Utah	27	250	550,000	2,200	5-10 min	5-10 min	9
State Only	Virginia	76	1,100	1,670,000	1,518	11-20 min	Other	8
State Only	Washington	45	419	2,160,713	5,157	11-20 min	Other	8
State Only	Wyoming	29	48	185,000	3,854	11-20 min	Other	8
State-Local	Colorado	53	280	1,000,000	3,571	5-10 min	5-10 min	9
State-Local	Florida	200	4,500	5,000,000	1,111	11-20 min	>30 min	9
State-Local	Iowa	100	400	1,000,000	2,500	5-10 min	Other	8.5
State-Local	Kansas	118	230	800,000	3,478	11-20 min	11-20 min	8
State-Local	Nebraska	94	120	500,000	4,167	11-20 min	Other	8
State-Local-Private	Minnesota	200	n/a	n/a	n/a	n/a	n/a	9
State-Local-Private	New Mexico	32	230	1,100,000	4,783	5-10 min	5-10 min	8
State-Private	Alaska	38	n/a	n/a	n/a	n/a	n/a	7.5

DL Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State-Private	Arizona	46	400	3,000,000	7,500	5-10 min	11-20 min	9.5
State-Private	Michigan	132	800	2,500,000	3,125	5-10 min	<4 min	8
State-Private	Montana	51	90	n/a	n/a	21-30 min	>30 min	8
n/a	Wisconsin	90	420	1,000,000	2,381	5-10 min	11-20 min	8.5

Table 4.1 Note: IPI analysis of data collected through a survey of state DMV administrators. Number of transactions refers to self-reported estimates of statewide transactions completed each year.

Using the number of licensed drivers as a representation of a state’s DL customer base, the ratio of licensed drivers per DL agent allows for state-to-state comparison (see Figure 4.1). Kentucky and Colorado each average over 15,000 licensed drivers for each DL agent, while Florida, Nevada, and Maryland have fewer than 5,000 drivers per agent.

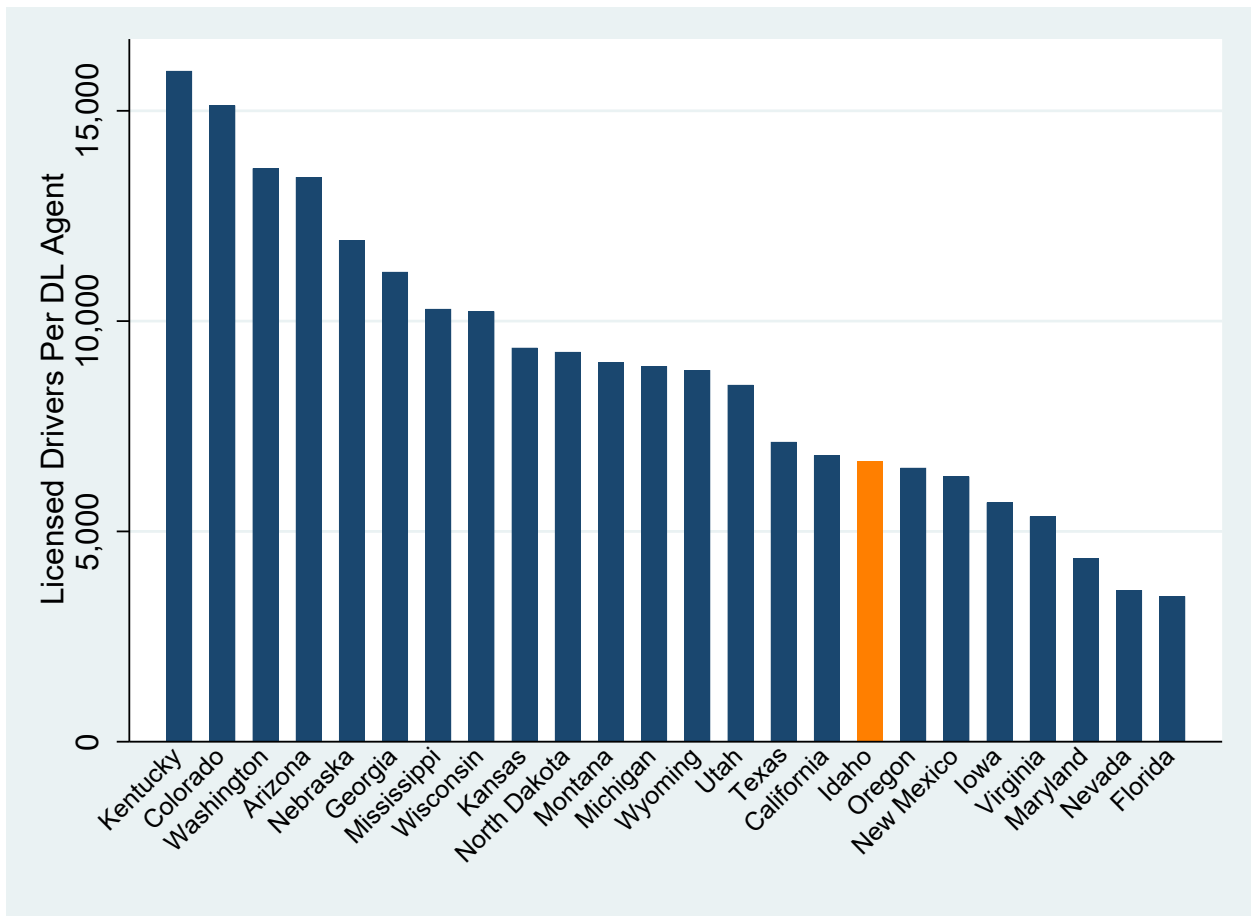


Figure 4.1 Licensed drivers per DL agent

Figure 4.1 Note: Ratio calculated as number of licensed drivers (FHWA 2019) divided by number of DL agents reported in IPI survey.

The number of a state’s licensed drivers corresponds to its transaction count (see Figure 4.2). DL agents in Arizona and Kentucky (over 6,000) process the most individual transactions and agents in Florida, Maryland, Virginia, and North Dakota (less than 2,000) have the lightest individual DL transaction workloads.

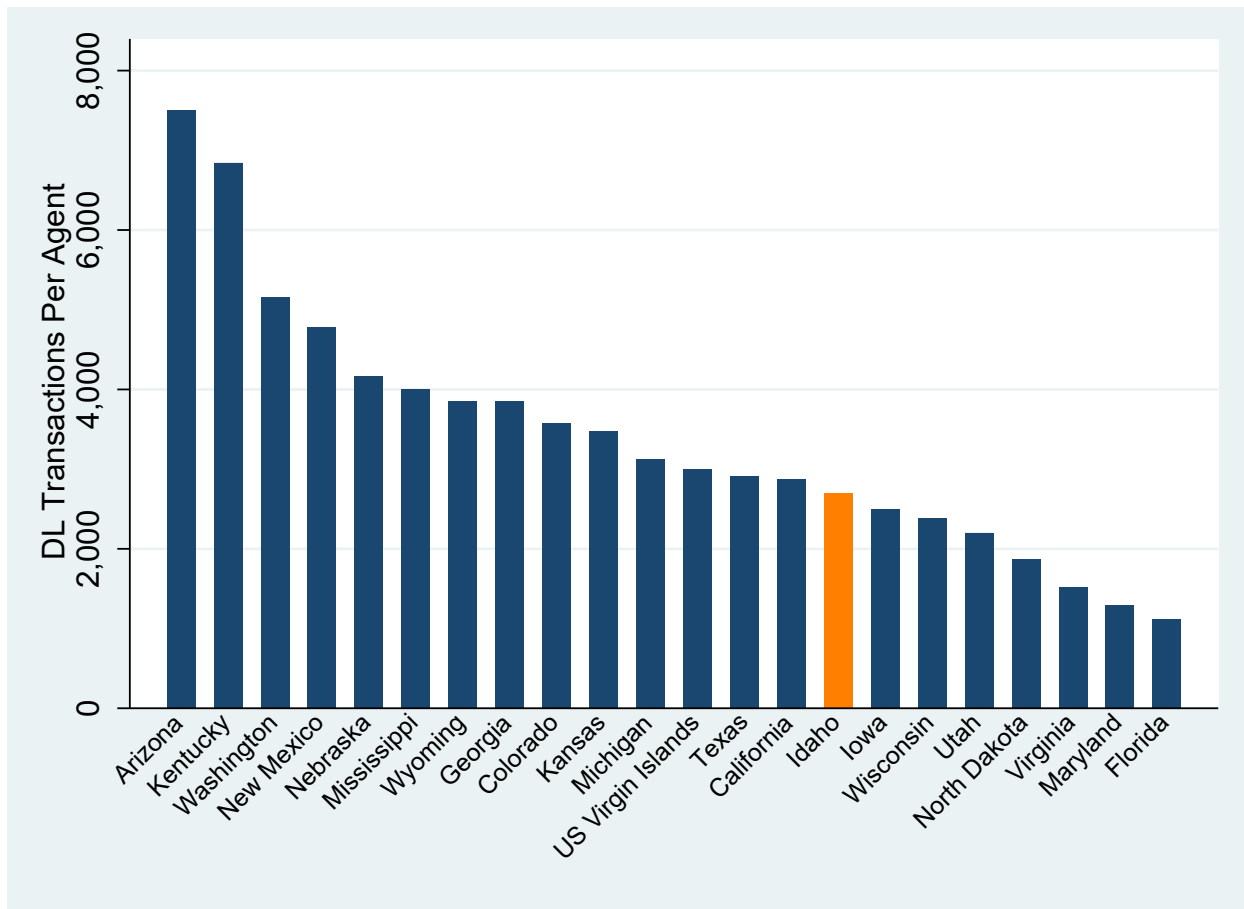


Figure 4.2 Driver's license transactions per DL agent

Figure 4.2 Note: Ratio calculated as number of DL transactions divided by number of DL agents reported in IPI survey.

Customers are able to receive DL services during normal business hours in nearly every state. Alaska is the only jurisdiction with DL offices open less than 8 hours per day. Georgia and California (10 hours per day) have the most DL office hours of operation.

Vehicle Titling and Registration (Combined)

In states with combined vehicle titling and registration offices (VT/R), service delivery outcomes also vary by state (see Table 4.2). The only jurisdiction with an average transaction time below 4 minutes is the US Virgin Islands, while all other reporting states process VT/R transactions in 5-20 minutes. The average wait time is shortest in Michigan (under 4 minutes) and the longest typical times (21-30 minutes) are in California and Maryland.

Table 4.2 Combined vehicle titling and registration metrics by state

VT Model	VR Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State Only	State Only	Oregon	60	475	n/a	n/a	5-10 min	11-20 min	9
State Only	State Only	US Virgin Islands	3	20	75,500	3,775	<4 min	Other	8
State Only	State-Local-Private	Utah	40	264	4,853,000	18,383	5-10 min	5-10 min	9
State Only	State-Private	Michigan	132	800	10,000,000	12,500	5-10 min	<4 min	8
State-Local	State-Local	Georgia	200	2,000	12,706,006	6,353	5-10 min	Other	9
State-Local	State-Local-Private	Nevada	17	557	n/a	n/a	n/a	n/a	9
State-Local	Local Only	Nebraska	100	600	3,300,000	5,500	n/a	n/a	8
State-Local-Private	State Only	North Dakota	19	90	1,200,000	13,333	11-20 min	5-10 min	9
State-Local-Private	State-Local-Private	Minnesota	174	n/a	1,800,000	n/a	n/a	n/a	9
State-Local-Private	State-Local-Private	New Mexico	32	230	1,100,000	4,783	5-10 min	5-10 min	8
State-Local-Private	State-Local-Private	Virginia	76	1,100	1,600,000	1,455	11-20 min	Other	8
State-Private	State-Local-Private	Maryland	24	1,024	1,498,735	1,464	11-20 min	21-30 min	8
State-Private	State-Private	Alaska	47	n/a	n/a	n/a	n/a	Other	7.5

VT Model	VR Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State-Private	State-Private	Arizona	46	400	3,000,000	7,500	5-10 min	11-20 min	9.5
State-Private	State-Private	California	171	4,000	9,100,000	2,275	n/a	21-30 min	10
State-Private	State-Private	Pennsylvania	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Local-Private	State-Local-Private	Florida	230	n/a	13,000,000	n/a	n/a	n/a	9
n/a	n/a	Wisconsin	80	430	1,000,000	2,326	5-10 min	11-20 min	8.5

Table 4.2 Note: IPI analysis of data collected through a survey of state DMV administrators. Number of transactions refers to self-reported estimates of statewide transactions completed each year.

The ratio of registered vehicles per VT/R agent (see Figure 4.3) is largest in Arizona (approximately 15,000) followed by Wisconsin and Michigan (over 10,000) and smallest in Nebraska, Maryland, Georgia, and Nevada (less than 5,000).

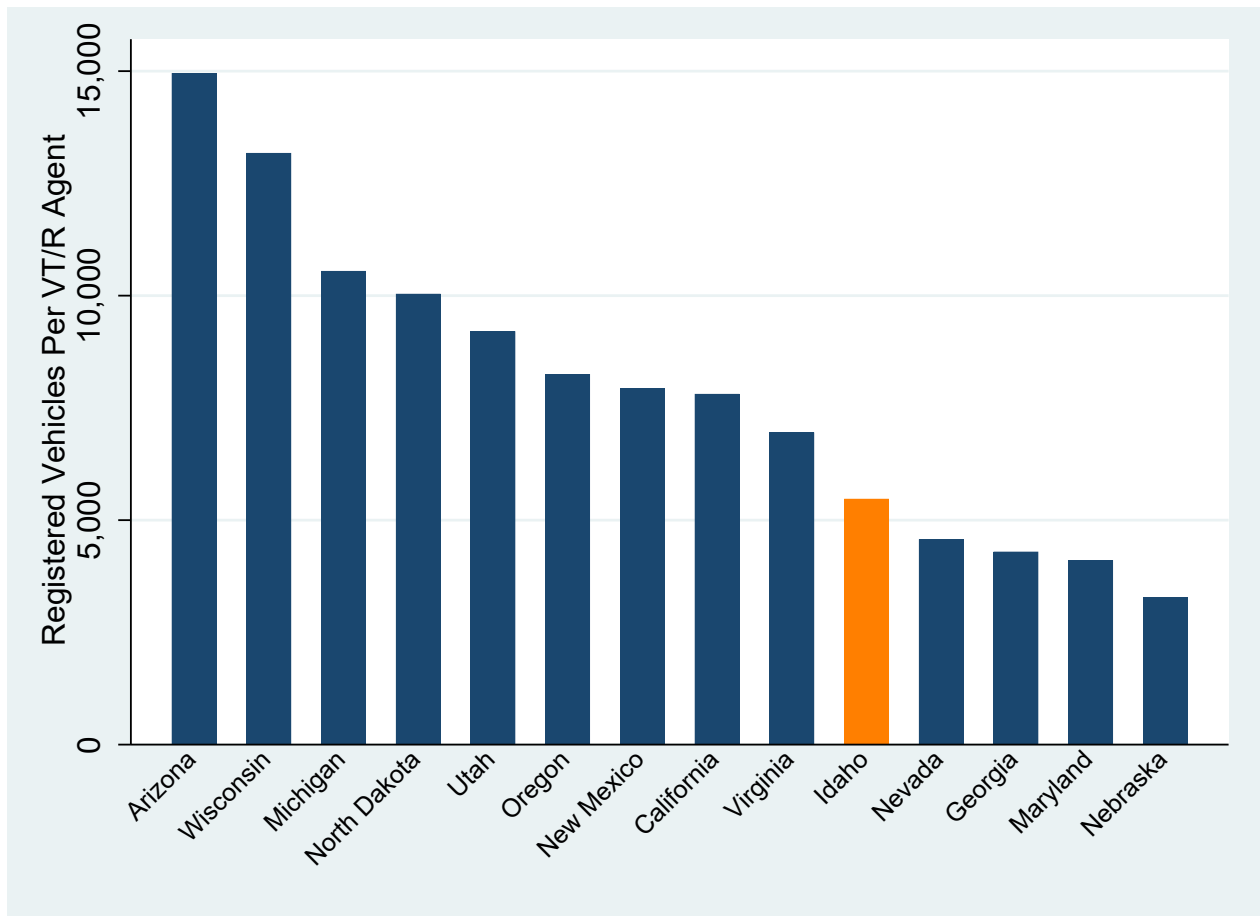


Figure 4.3 Registered vehicles per VT/R agent

Figure 4.3 Note: Ratio calculated as number of registered vehicles (FHWA 2019) divided by number of VT/R agents reported in IPI survey.

More specifically, the transaction-processing workloads of individual VT/R agents fluctuates between states (see Figure 4.4). VT/R agents in Utah are the only agents processing more than 15,000 transactions each, while agents in Virginia, Maryland, California, Wisconsin, US Virgin Islands, and New Mexico each process less than 5,000 transactions.

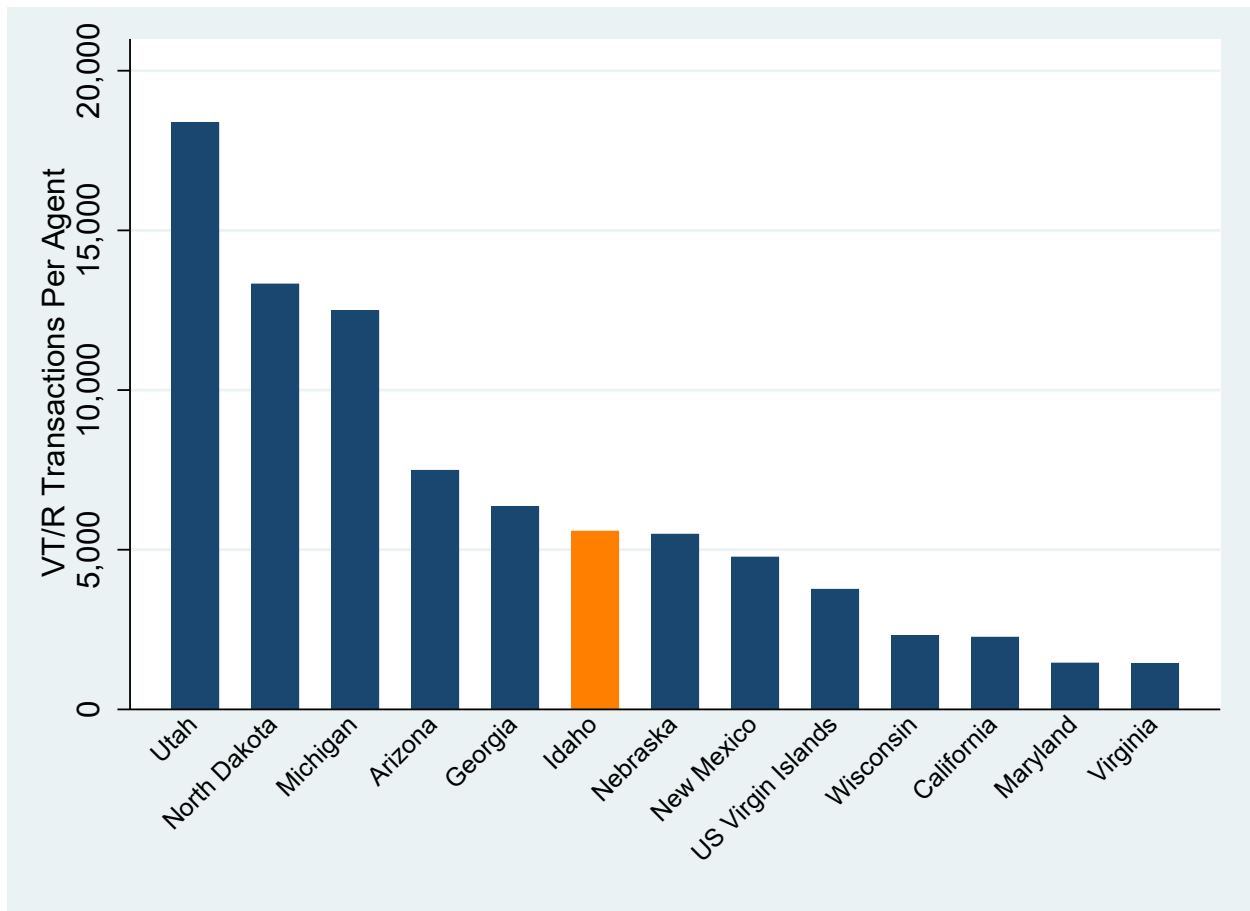


Figure 4.4 Vehicle titling and registration transactions per VT/R agent

Figure 4.4 Note: Ratio calculated as number of VT/R transactions divided by number of VT/R agents reported in IPI survey.

Similar to driver services, customers are able to receive VT/R services during normal business hours in most states with the exception of Alaska, which is open slightly less than 8 hours per day. California is the only state with VT/R offices open 10 hours per day.

Vehicle Registration (Separate)

In states that have separate vehicle registration operations (VR), service delivery transaction times and wait times are not widely reported, with the exceptions of Kentucky and Montana (see Table 4.3).

Table 4.3 Vehicle registration metrics by state

VR Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State-Local	Alabama	67	1,200	5,000,000	4,167	n/a	n/a	8
State-Local	Colorado	n/a	n/a	n/a	n/a	n/a	n/a	n/a
State-Local	Iowa	100	500	4,400,000	8,800	n/a	n/a	8
State-Local	Kentucky	140	300	4,000,000	13,333	11-20 min	11-20 min	8
State-Local	South Dakota	64	200	1,500,000	7,500	n/a	n/a	8
State-Local	Wyoming	23	50	1,000,000	20,000	n/a	n/a	8
State-Local-Private	Washington	178	1,451	8,133,262	5,605	n/a	n/a	8
Local Only	Kansas	105	n/a	3,300,000	n/a	n/a	n/a	8
n/a	Montana	61	n/a	n/a	n/a	11-20 min	21-30 min	8

Table 4.3 Note: IPI analysis of data collected through a survey of state DMV administrators. Number of transactions refers to self-reported estimates of statewide transactions completed each year.

The ratio of registered vehicles per VR agent (see Figure 4.5) is largest in Wyoming (over 15,000) and smallest in Alabama (under 5,000).

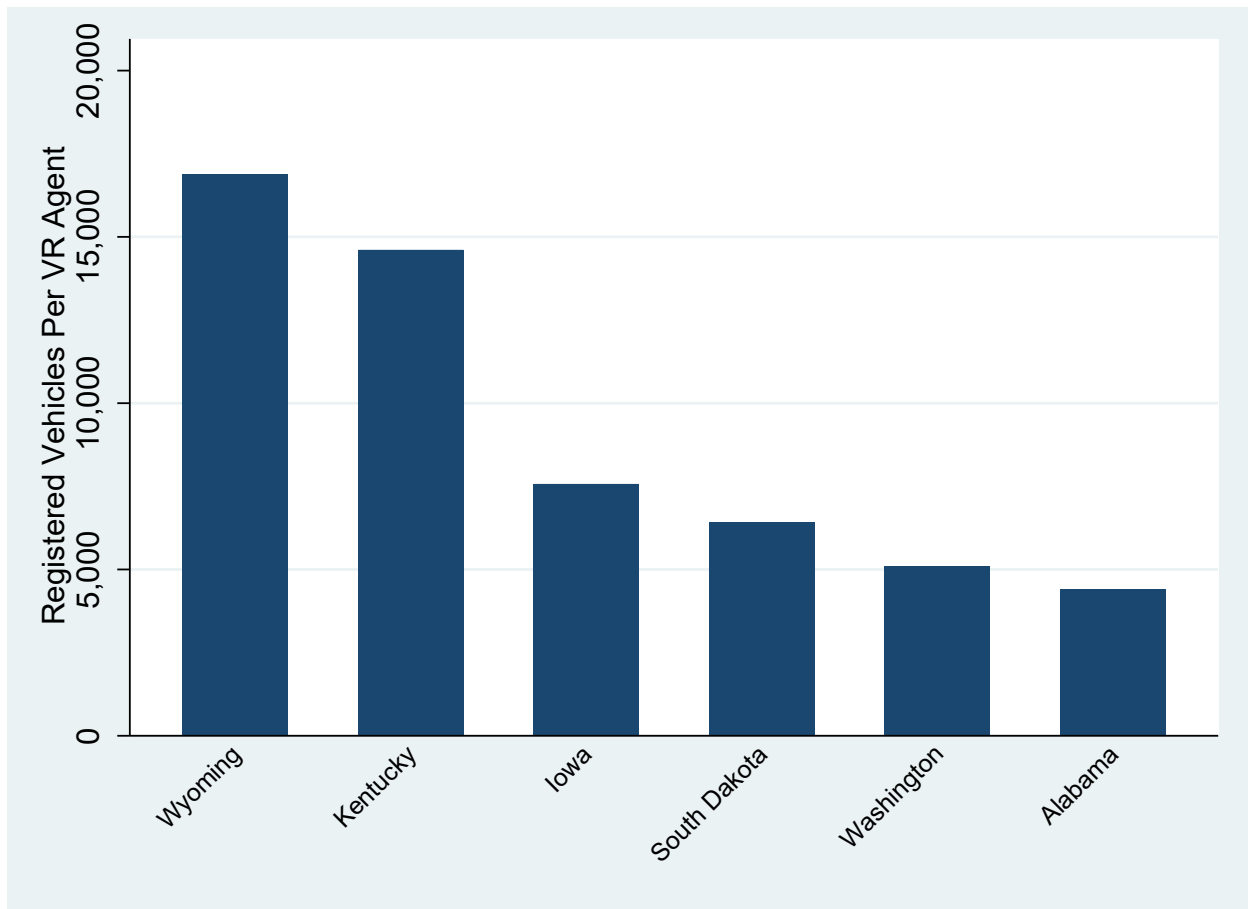


Figure 4.5 Registered vehicles per VR agent

Figure 4.5 Note: Ratio calculated as number of registered vehicles (FHWA 2019) divided by number of VR agents reported in IPI survey.

The number of VR transactions per individual agent (see Figure 4.6) among the same six states closely correlates with their vehicle-agent ratios. Wyoming agents have the highest individual workloads (approximately 20,000 each) while Alabama agents (less than 5,000 each) process the fewest individual transactions.

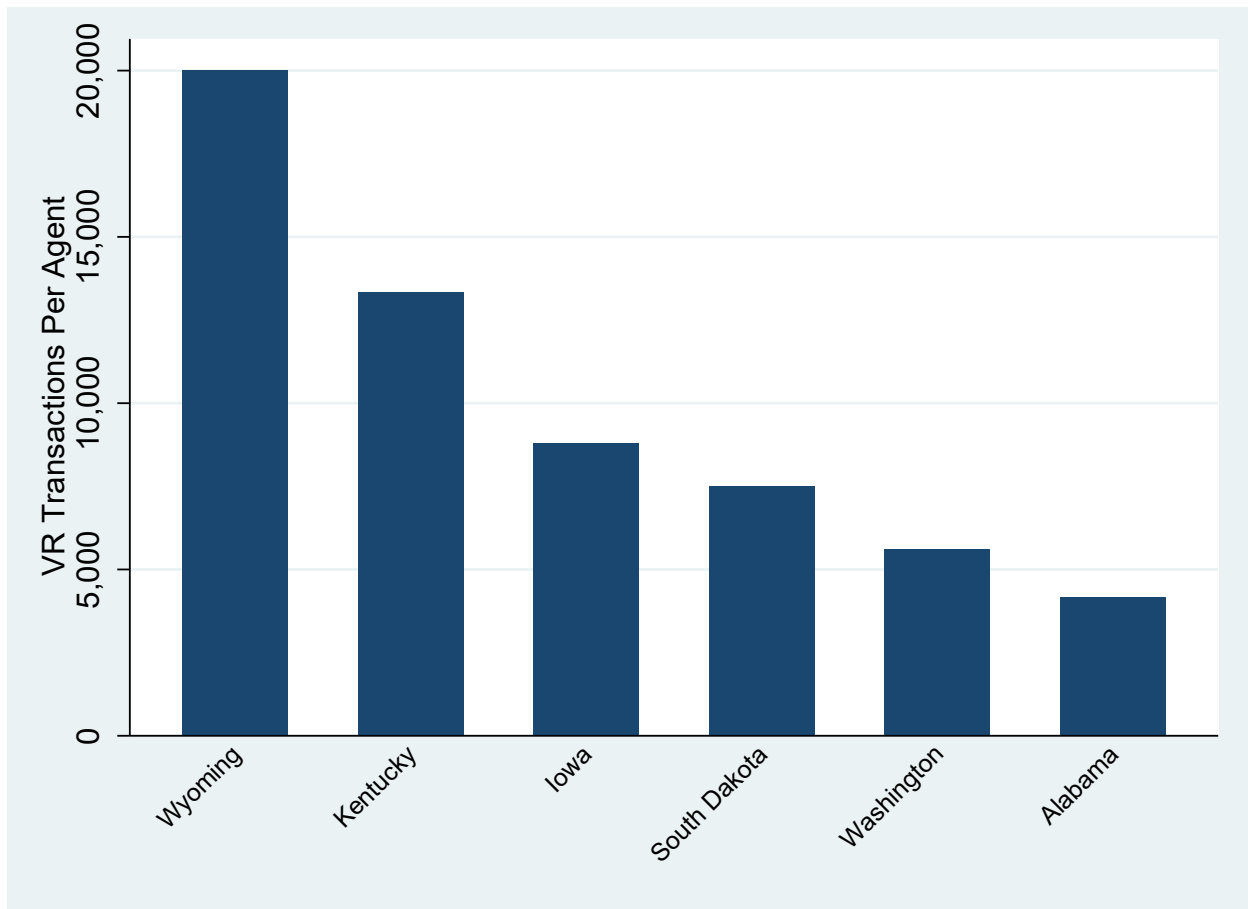


Figure 4.6 Vehicle registration transactions per VR agent

Figure 4.6 Note: Ratio calculated as number of VR transactions divided by number of VR agents reported in IPI survey.

Vehicle Titling (Separate)

Along the same lines as registration, states with separate vehicle titling operations (VT) mostly do not report average transaction times and wait times (see Table 4.4). Of the eight jurisdictions that have separate VT services, only three states allow customers to obtain or transfer vehicle titles online.

Table 4.4 Vehicle titling metrics by state

VT Model	State	Offices	Agents	Transactions	Transactions Per Agent	Transaction Time (avg.)	Wait Time (avg.)	Hours (avg.)
State Only	Alabama	67	1,200	1,500,000	1,250	n/a	n/a	8
State-Local	Iowa	100	500	n/a	n/a	n/a	n/a	8
State-Local	Kentucky	140	300	4,000,000	13,333	11-20 min	11-20 min	8
State-Local	South Dakota	64	200	420,000	2,100	n/a	n/a	8
State-Local-Private	Kansas	105	n/a	3,300,000	n/a	Other	n/a	8
State-Local-Private	Washington	178	1,451	8,133,262	5,605	n/a	n/a	8
Local Only	Wyoming	23	50	254,000	5,080	n/a	n/a	8
n/a	Montana	61	n/a	n/a	n/a	21-30 min	>30 min	8

Table 4.4 Note: IPI analysis of data collected through a survey of state DMV administrators. Number of transactions refers to self-reported estimates of statewide transactions completed each year.

The number of registered vehicles per VT agent (see Figure 4.7), similar to the same ratio for vehicle registration, is largest in Wyoming (over 15,000) and smallest in Alabama (under 5,000).

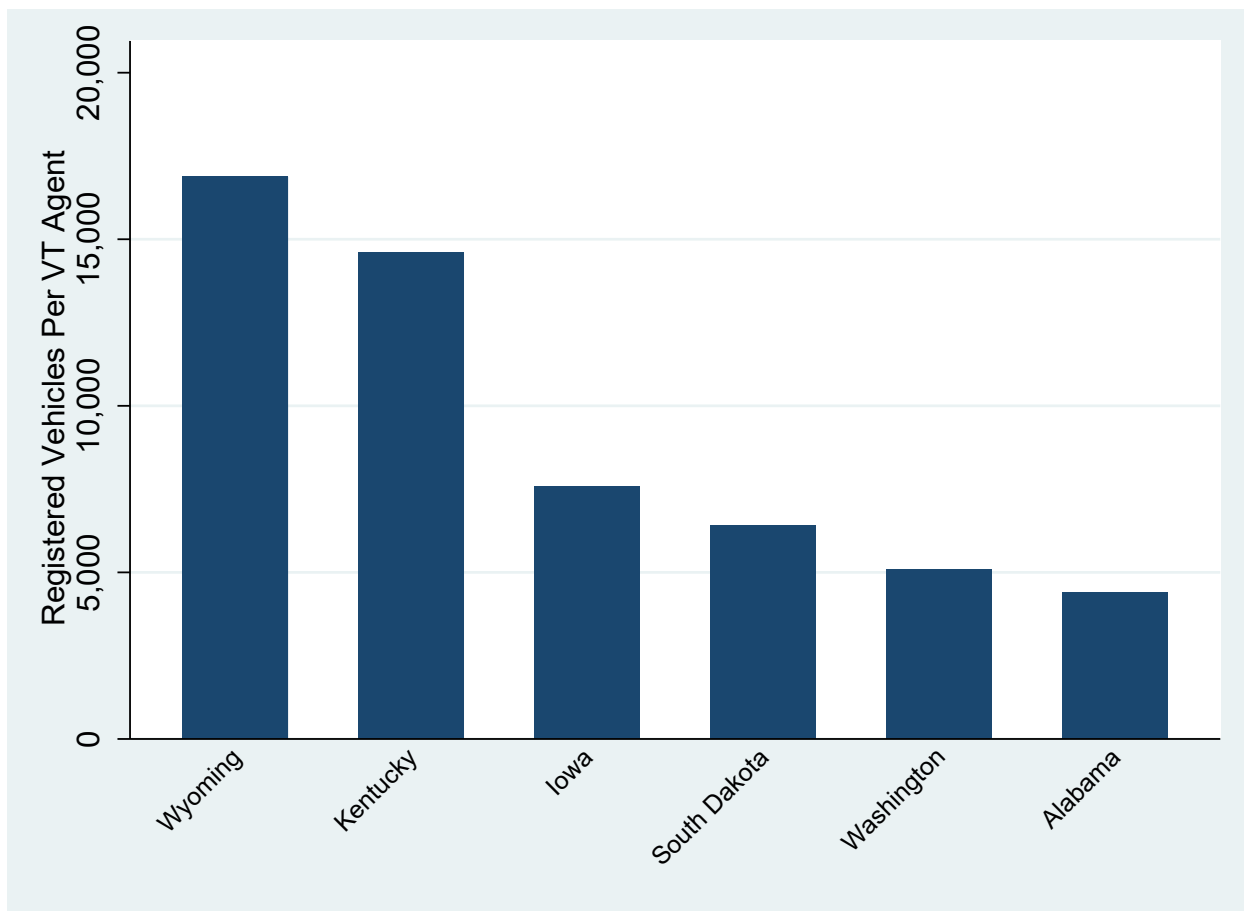


Figure 4.7 Registered vehicles per VT agent

Figure 4.7 Note: Ratio calculated as number of registered vehicles (FHWA 2019) divided by number of VT agents reported in IPI survey.

The number of VT transactions per individual agent (see Figure 4.8) remains the smallest in Alabama, whose agents, along with their counterparts in South Dakota, each process fewer than 5,000 transactions. Kentucky VT agents have the largest individual workloads (over 10,000 each).

Notably, VT agents in Wyoming are significantly less burdened than VR agents in the same state. VT agents individually process one-quarter of the amount of VT transactions (approximately 5,000) as VR agents' workloads, who each process roughly 20,000 transactions on average.

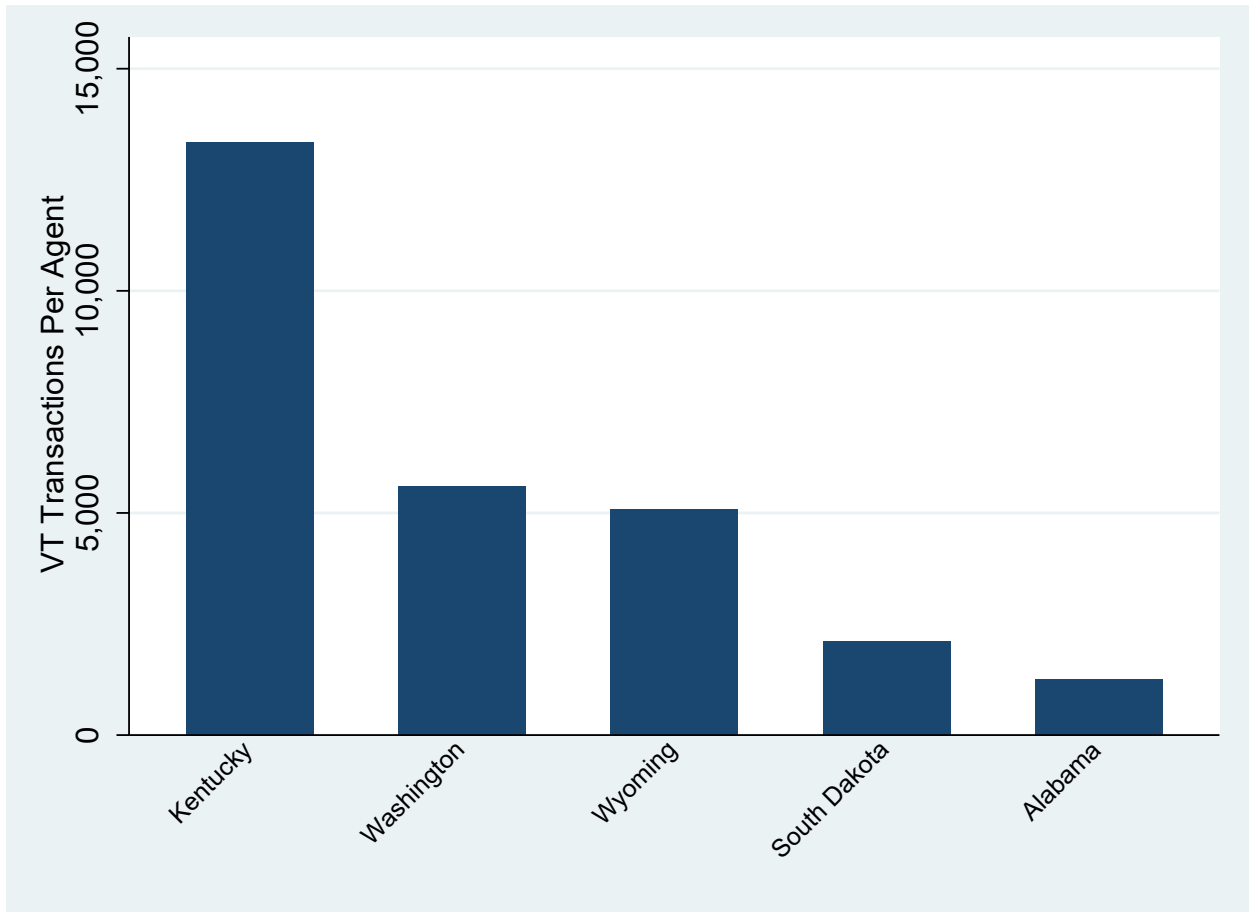


Figure 4.8 Vehicle titling transactions per VT agent

Figure 4.8 Note: Ratio calculated as number of VT transactions divided by number of VT agents reported in IPI survey.

5. Lessons Learned and Policy Options

Beyond the central findings regarding the Idaho model and service delivery alternatives in other states, there are several insights on the applicability of various policy options within Idaho's context from interviews and surveys. These insights relate to communication, revenue, planning, and access.

It is important to note that one model is not necessarily better than another. Since there are always tradeoffs with any statewide arrangement, this section proposes these policy options as opportunities to improve DMV service delivery within Idaho's current framework.

Communication

ITD has a number of communication-related initiatives aiming to create an open channel of dialogue between ITD and the counties. These efforts include quarterly county engagement team (CET) meetings, regional CET meetings, system release notes, DMV Go (a monthly newsletter), email communication, alerts on changes in the GEM system, and training opportunities.

However, throughout interviews with Idaho county officials, many expressed some level of tension or room for improvement in their relationship with the state. A lack of clear, productive, open communication between the state and the counties appears to play a significant role in the tension. There is a disconnect between the communication ITD offers and the communication that counties feel they are receiving. This manifested in the GEM rollout, where some county officials felt their concerns were not heard by the state leading up to the rollout, while ITD offered several county engagement opportunities that saw low participation rates.

Officials in other states discussed their own internal tensions between the state and counties. One state explained relationship issues between the state and counties that improved with the implementation of regular calls between the DMV director and county officials. Some states emphasized their relationship with counties as partnerships that involved bilateral communication. While ITD does have ongoing communication efforts, an assessment or audit of those efforts and how they are reaching the counties in practice might result in more effective use of those efforts by the state and county officials moving forward.

Revenue

Some states incentivize county partners to incur short-term losses in return for long-term gains, allowing them to fund systematic service delivery upgrades that may otherwise be cost-prohibitive. Funding normally dedicated to county services was temporarily halted and used by the state to fund needed upgrades, but once in place these upgrades would realize long-term savings for county partners. Specific examples in interviews focused on statewide DMV system upgrades and modernization efforts, which is not necessary in Idaho following the GEM system upgrade. However, the strategy of achieving buy-in

from local jurisdictions in the long-term in exchange for short-term sacrifices could be used to leverage innovative funding strategies to spur further systematic upgrades to Idaho's county fee-based system.

Revenue distributions from online transactions concerns emerged in both county and state interviews. In some states, the counties are bypassed completely in terms of revenue, with all fees collected in online transactions going directly to the state. However, in other states, fees are distributed as if those transactions happened in brick-and-mortar offices. Therefore, as Idaho moves more transactions online, it is valuable to ensure counties receive revenue for their customers, even if those customers choose to go online.

Planning

Service delivery models identified in this report vary, with no two states implementing the same systems in exactly the same way. Some states even implement different service delivery models to each area of service delivery. Idaho is unique in delivery of DMV services, making it difficult to compare its model to that of another state. The models presented can still be used as a reference to identify the opportunities and challenges of Idaho's model. For instance, state governments typically engage in driver's licensing to more extent than other service types. This is likely due to consequences of the failures of service delivery such as the public safety hazard of allowing unqualified drivers on the street. Third party entities are more likely to participate in vehicle titling and registration, which have less severe consequences upon failure of service delivery.

Many service delivery models introduced in this report engage third party entities to a varying extent as partners working on behalf of the states. The models represent some forms of service contracting. Informal contracting, such as the current arrangement in Idaho, is still considered contracting because third party entities perform service provision. If a state and a third party partner agree to terms (expected goals, corrective actions, and incentives) and establish a formal contractual arrangement by creating official agreements such as MOUs, it becomes formal contracting. This arrangement is typically a product of voluntary actions from interested parties seeing potential mutual gains (Moe 2005).

Both contracting theory and the broader public management literature (Bertelli 2012; Girth 2017; Kim 2015; Shleifer and Vishny 1997) point out the significance of making clear expected goals, corrective actions, and incentives for inducing desirable behaviors of contractors. A more formal partnership between the state agency and local jurisdictions could have several advantages, such as promoting standardization across counties. This involves clearly stating in the agreement expectations for counties in areas of interest such as hours/days of operation, how to engage with customers from other counties, and possible corrective actions if counties fail to meet expectations. The successful creation of MOUs, and an effective implementation of them, may become more likely if ITD includes incentives (pecuniary or non-pecuniary) attractive enough to induce county participation. ITD's active communication with counties in preparation of negotiating MOUs regarding topics of mutual interest, including the latter's expectations towards ITD, may also facilitate more successful agreements.

If ITD plans to engage municipalities or private organizations in vehicle service delivery, ITD could establish a framework detailing how counties would interact—if at all—with new private and/or municipality providers. One option is to allow all providers to participate within the system in the same way. Alternatively, counties could be given the option of opting in, only allowing municipalities and private organizations to participate if counties opt out. Counties could also be mandated to provide services to ensure universal access, especially in rural areas, and additional municipal or private providers could provide services if there is demand from residents and interest from private organizations.

As noted, states that experiment with or fully embrace private partnerships for service delivery note difficulties training third party agents. In some cases, a decline in quality is apparent to members of the public, as third party providers may sacrifice quality to keep costs low and maximize profitability. Some states require third party providers to shadow state employees to be properly trained in procedures and ensuring quality throughout the service delivery model. By implementing this process, especially as a prerequisite for expanded service delivery from vendors, state systems are able to address quality control issues.

Access

A frequent tradeoff between state-managed systems and those with local participation is easy public access to DMV services. In most state-local models, members of the public are ensured of at least one office in their own county. Among state only models, the emphasis is on less proximate regional offices. While state only models benefit from centralization—including economies of scale and a streamlined consumer experience—it can result in less physical access, as it can be more difficult for states to financially maintain an office in every county. This may increase travel time for some members of the public—sometimes by as many as two hours—to access DMV services.

Effectively managing consumer access is a challenge for DMV service providers across the country. Some states mitigate the issue by allowing either private third parties to open offices or by allowing local governments (cities or counties) to contract with the state to meet service delivery needs. This can allow the state to benefit from centralization while ensuring the localities that wish to preserve their local access—even at the municipal level—have that option.

Private third parties do not always adequately address access issues, as they are often incentivized to situate their offices in well-served, highly populated urban areas to reach a larger customer base rather than sparsely populated, underserved rural areas. Structuring such arrangements should attempt to not encumber a state with the responsibility and cost of managing a system that does not benefit them. Nonetheless, this approach remains a viable option to enhance decreased service delivery in a state only model.

Local governments often have a preexisting service-delivery obligation and may wish to also provide access to DMV services to decrease customer travel times. One way that states encourage this behavior

is by allowing both third parties and local governments the ability to charge more than the state's fee to cover their own costs or realize profits. Of course, the customer has to be willing to pay those increased fees to use that service, but may be more attractive than the travel time to a state-run DMV office.

6. Conclusion

Not unlike other states' DMV service delivery models, Idaho's arrangement has unique benefits and challenges. It enables local access, flexibility, and autonomy, but also leads to a lack of standardization across Idaho, blurred responsibilities between state and county decision makers, funding challenges, and unnecessary layers in delivering DMV services.

Considering policy alternatives, more centralized arrangements typically enable more standardization and economies of scale but come with fewer points of access, while less centralized ones grant more local access but create inconsistencies in service delivery. Private partners can expand DMV access and ease of use but can also widen inequities and require oversight from the state agency.

This report outlines several policy options for decision makers within Idaho's current DMV service delivery structure related to communication, revenue, planning, and access. Increasing communication between each level of government, addressing local concerns about loss of revenue, formalizing the state-county arrangement or involving other third parties, and preserving local access through opt-in opportunities could improve Idaho's DMV service delivery for administrators and customers alike.

7. Cited Works

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Appendix A. List of Statutes and Regulations

State Only Model

North Dakota (DL & VR)

[Statutes](#)

- 39-02-03 Powers and duties of director and department

[Administrative Rules](#)

- 37-01-01 Organization of Department of Transportation
- 37-12-06-01 Motor vehicle branch office fees

Oregon

[Statutes](#)

- 802.010 Duties of Department of Transportation regarding motor vehicles and drivers
- 802.020 Administrative facilities for enforcement of motor vehicle laws
- 802.031 Designation of dealers and others as agents of department

[Administrative Rules](#)

- 735-030-0055 Collection of county or district registration fees

State-Local Model

Colorado

[Statutes](#)

- 42-1-203 Executive director to cooperate with others - local compliance required
- 42-1-204 Uniform rules and regulations
- 42-1-210 Authorized agents - legislative declaration - fee
- 42-1-211 Driver's license, record, identification, and vehicle enterprise solution (establishes Colorado DRIVES county governance committee)
- 42-1-213 Commission of authorized agents
- 42-1-214 Duties of authorized agents
- 42-1-231 Kiosk program
- 42-6-104 Administration - rules (Certificates of Title)

Kentucky (VT/R)

[Statutes](#)

- 186.014 Branch offices for issuance of licenses
- 186.240 Cabinet to furnish forms and plates -- Records -- Receipts -- Reflectorized license plate program fund -- Use of receipts -- Accounting by clerk -- Audit
- 186.400 Duties of Transportation Cabinet -- Administration of laws
- 186.490 Duties of the circuit clerk -- Issuing offices to close by June 30, 2022

State-Private Model

Arizona

[Statutes](#)

- 28-2006 Contract to transfer duties and responsibilities
- 28-2002 Assessor or director as county agent
- 28-5101 Third party authorization

[Administrative Rules](#)

- 17 A.A.C. 1 Department of Transportation - Administration
- 17 A.A.C. 4 Department of Transportation - Title, registration, and driver licenses
- 17 A.A.C. 7 Department of Transportation - Third party programs

Michigan (DL & VR)

[Statutes](#)

- 257.202 Secretary of state as exclusive state agent
- 257.203 Appointment of employees
- 257.205 Secretary of state; office and branch offices; establishment; employees; bond; liability for loss of money; person appointed to conduct branch office; compensation and expenses

State-Local-Private Model

Minnesota

[Statutes](#)

- 168.0135 Motor vehicle registration self-service kiosks
- 168.325 Division of Driver and Vehicle Services
- 168.33 Commissioner as registrar of vehicles; deputy registrars
- 168a.24 Duties and powers of department
- 171.015 Driver's license division
- 171.061 Driver's license agent
- 373.33 State licenses may be issued

[Administrative Rules](#)

- Chapter 7404 Driver licensing agents
- Chapter 7406 Motor vehicle deputy registrars

New Mexico

[Statutes](#)

- 66-2-3 Powers and duties of department
- 66-2-14 Appointment of agents; termination
- 66-2-14.1 Fee agent designation; termination
- 66-2-16 Administrative fees; collection; remittance; payment; optional fees; appropriation
- 66-6-25 Registration by county or municipality prohibited

Local Only Model

Hawaii

[Statutes](#)

- 286-16 Powers and duties
- 286-17 Enforcement

Nebraska (VR)

[Statutes](#)

- 60-372 Vehicle Title and Registration System; agent of county treasurer; appointment

Appendix B. Example MOU

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT
MOTOR VEHICLE SERVICE PROVIDER AGREEMENT

THIS AGREEMENT is made and entered into pursuant to the provisions of Section 66-2-14, NMSA 1978 by and between the State of New Mexico, Taxation and Revenue Department (TRD), Motor Vehicle Division (MVD) and (Provider).

1. PURPOSE: To effect economy in carrying out the functions of MVD and to provide necessary services to the people of the State of New Mexico. Section 66-2-14, NMSA 1978 authorizes the TRD secretary to appoint agents to act on behalf of MVD to perform certain functions of MVD. Under this authority, MVD hereby appoints Provider to perform certain services on behalf of MVD, and Provider accepts this appointment, subject to the provisions of this Agreement.

2. DEFINITIONS: The following terms, phrases and acronyms, as used in this Agreement, are defined as follows:

2.1 Authorized MVD Representative: an employee of MVD, TFID, OIO, TRD, or another agency of the State of New Mexico who has been authorized, either by their job classification or in writing by the MVD Director or delegate, to inspect, audit, observe, or otherwise review the operations and records of Provider.

2.2 CIO & CSO: the Chief Information Officer and Chief Security Officer for the New Mexico Taxation and Revenue Department.

2.3 Confidential Information: personal information about an individual obtained by MVD or Provider in connection with a person's motor vehicle information pursuant to the Motor Vehicle Code, that may not be released pursuant to Section 66-2-7.1, NMSA 1978 or the DPPA.

2.4 Data: any type of motor vehicle information required by federal or New Mexico statute to be obtained by MVD and maintained in the MVD database.

2.5 Department: the New Mexico Taxation and Revenue Department.

2.6 DPPA: the Driver's Privacy Protection Act of 1994 (18 U.S.C. §§ 2721-2725).

2.7 Fee: the amount charged as established by law for various MVD transactions.

2.8 HIN Inspection: the physical verification of the Hull Identification Number affixed to a vessel.

2.9 Mandatory: the terms "must," "shall," "will," "is required," or "are required," identify a required or compulsory item or factor within this agreement.

2.10 Motor Vehicle Information: any information obtained and maintained by the Motor Vehicle Division pertaining to identification cards, driver licenses, permits, disabled placards, and motor vehicle or vessel title and registrations.

2.11 MVD: the Motor Vehicle Division of the New Mexico Taxation and Revenue Department.

2.12 “MVD Representative”: An employee identified by MVD, TFID, TRD, who is authorized by the MVD Director to supervise, delegate, inspect, audit, observe, or otherwise review the operations and records of Provider.

2.13 Office of Internal Oversight (OIO): the TRD unit charged with auditing MVD partner compliance with the terms of all contracts and agreements.

2.14 “Product(s)” (or Controlled Consumables): Tangible items such as license plates, title documents, registration stickers, driver licenses, or permits that are delivered to a customer as a result of completing a transaction with the Provider.

2.15 “Records”: an account, correspondence, memorandum, tape, disc, paper, book or transcribed information, or electronic data information, including the electronic hardware or software necessary to access the electronic data information in its document form, regarding the operation of a motor carrier or created in conjunction with the transaction of MVD business.

2.16 Services: the act or process of completing a customer's vehicle, vessel, or driver transactions.

2.17 Tapestry: the system MVD uses to provide driver and vehicle services.

2.18 Tax Fraud Investigation Division (TFID): the Tax Fraud Investigation Division of TRD charged with investigative powers and duties.

2.19 Transaction: the task or tasks completed at one time during a customer's single visit to Provider.

2.20 TRD: the New Mexico Taxation and Revenue Department.

2.21 User: the Provider or any person employed by Provider who has access to MVD data, who performs tasks to deliver MVD products or services, or who has access to MVD forms, documents, equipment, or inventory.

2.22 VIN Inspection: the physical verification, performed by a certified VIN inspector, of the Vehicle Identification Number (VIN) affixed to a motor vehicle.

3. THE PARTIES MUTUALLY AGREE THAT THE PROVIDER SHALL: Adhere to this Agreement with MVD and comply with all terms and conditions of the Agreement. The Provider

is acting on the behalf of MVD and shall uphold the standards and quality of MVD's policies, procedures, and excellence in customer service. The Provider is to review and sign the MVD Mission, Vision and Core Values Acknowledgement.

3.1 MVD authorizes Provider to provide the following services, actions, or transactions delegated to the Provider under the provisions of Chapter 66, NMSA 1978, as amended or renumbered:

3.1.1 Vehicle Services: Register and title vehicles and/or vessels.

3.1.2 Driver Services: Accept applications for, administer required written and/or skills tests, and issue driver licenses, permits, disabled placards and identification cards.

3.1.3 Provider and its employees are not authorized to complete the documentation required to complete a transaction on behalf of the customer. Instead, the customer must present all required documentation necessary to complete the requested transaction. Provider and its employees are not authorized to pull confidential data that they have access to for the purposes of sending required letters on behalf of the customer.

4. FINANCIAL RESPONSIBILITIES

4.1 Provider shall collect all fees, taxes and other charges provided by law under Chapter 7, Articles 14 and 14A, and Chapter 66, NMSA 1978, as amended or renumbered, and remit those fees, taxes and charges to MVD, using an attestation of accuracy, no later than the close of the next business day following the transaction or revenue collection, in the manner established by MVD. If the Provider has insufficient funds for all fees, taxes and other charges required to be submitted, there shall be a penalty of five percent (5%) of the amount due for each day the funds are late.

4.2 If Provider undercharges the customer, Provider is responsible for timely remitting the correct amount to MVD. If Provider overcharges the customer, Provider must remit to MVD the amount collected from the customer and the customer will need to file a claim for refund with MVD in order to be reimbursed the amount overcharged by Provider.

4.3 Provider may accept cash, personal checks, business checks, PCI compliant Contactless pay using the approved third-party credit card by American Express®, Discover®/Novus®, Mastercard®, Visa designed for contactless pay. Mobile Payments such as Apple Pay®, Google Pay™, Samsung Pay, or any contactless digital wallet, debit, or credit card payments from its customers. Provider shall be liable for any returned payment for insufficient funds or any other dishonor.

5. PROVIDER QUALIFICATIONS

5.1 No person shall be eligible to be a Provider, an employee of a Provider, or be able to continue in that capacity if the person has been convicted of any felony charge, or has been convicted of any crime involving administration of the Motor Vehicle Code, dishonesty or making a false statement within the previous ten years or has committed any act violating

the Motor Vehicle Code or violation of the Partner agreement within the previous ten years.

5.2 BACKGROUND INVESTIGATIONS

5.2.1 Provider is fully responsible for the acts or omissions of Provider and its employees in the performance of the services Provider provides under this Agreement. Provider agrees to reasonably assist TRD or any Authorized TRD Representative in conducting a background investigation on Provider, all Users and employees of Provider who work on TRD matters. Provider shall pay the cost of the background investigations. These investigations shall include, at a minimum:

5.2.1.1 Fingerprints as required for a national criminal history records search and state background investigations;

5.2.1.2 Criminal History Questionnaire;

5.2.2 Provider is required to be and remain in compliance with all New Mexico and Federal Tax reporting and compliance requirements and is subject to verification throughout the term of this agreement.

6. RESPONSIBILITIES AND REQUIREMENTS OF PROVIDER

6.1 GENERAL

6.1.1 Provider must meet the following minimum qualifications, along with the requirements verified in the mandatory requirements in the supplemental requirements section.

6.1.2 Provider shall comply with all applicable federal, state and local laws, rules and regulations, and executive orders of the Governor of the State of New Mexico and public health orders issued by the Secretary of the New Mexico Department of Health, in the operation of the business, including, but not limited to, the federal Americans with Disabilities Act of 1990, the New Mexico Human Rights Act, Sections 28-1-1, et seq., NMSA 1978, the federal Occupational Safety and Health Act of 1970, the New Mexico Occupational Safety and Health Act, Sections 50-9-1, et seq., NMSA 1978, the federal Civil Rights Act of 1964, DHS Real ID Act, Social Security Administration (SSA), HIPPA and industry mandates such as Payment Card Industry (PCI), etc. MVD shall provide notification of any executive orders or changes to law it becomes aware of, to Provider within ten (10) days of receipt of such information.

6.1.3 Provider and employees of Provider who work on MVD matters are not employees of the State of New Mexico. Neither Provider nor its employees shall represent that Provider or Provider's employees are employed by or are a subdivision of MVD or the State of New Mexico.

6.1.4 MVD will give Provider access to Tapestry to use for the MVD services

Provider is authorized to transact.

6.1.5 Provider is responsible for obtaining all MVD approved equipment and communication specifications, as listed on the “Mandatory Computer/Network Requirements” and “Mandatory Computer/Network Security Requirements.” Provider agrees to use only MVD approved software for performing vehicle or driver transactions. Provider shall provide all necessary electrical and telephone equipment and all telecommunications connections including all installation, hook-up, line or other infrastructure charges as may be required to meet the specifications of MVD for access to its applications and data. Provider is responsible for all costs of providing and maintaining Provider’s equipment, and connections, regardless of whether the cost is a one-time or recurring cost. All equipment and communications must meet the standards established by MVD.

6.1.6 Provider is required to obtain helpdesk support and must provide its contract for helpdesk support to MVD upon signing this Agreement. If Provider changes its helpdesk support, Provider must notify MVD within twenty-four hours and submit the new contract for helpdesk support to MVD.

6.1.7 Provider shall not sell or transfer data obtained from MVD or on MVD's behalf to any third party unless authorized in writing by MVD.

6.1.8 Provider shall not develop any hardware, software, or programs that would allow the Provider to be a portal for other entities or person to indirectly access Tapestry.

6.1.9 MVD may establish quality performance standards to which Provider must adhere. MVD will keep Provider advised of these standards and of any change made in the standards from time to time.

6.1.10 Provider shall report any known violation of the terms of this Agreement, including violation of applicable laws, rules, or regulations, and potentially illegal incidents, acts or omissions of its employees or customers which relate to the services provided herein to a Deputy Director of MVD within eight (8) hours of becoming aware of the incident. This provision includes, but is not limited to, reporting of any attempt to bribe an employee, potential customer fraud, any breach of confidentiality of MVD data resources, any misuse of MVD inventory, any breach of testing integrity, any criminal misconduct, including violation of motor vehicle laws, of or by its personnel. Any breaches of computer data, applications of ransomware, worms, viruses or other types of computer hacking into the Provider’s system and, thereby, into the MVD Tapestry system shall be immediately reported to MVD upon discovery by the Provider. In the event, MVD discovers a breach of its system through the Partner’s computer access to Tapestry, MVD shall immediately suspend Partner’s access to Tapestry until such time as the breach is remediated and Tapestry is restored to secured status.

6.1.11 Provider shall not disparage MVD or MVD's provision of services to Provider or the general public, in any way, including but not limited to any advertisements, whether in print, video, radio, television or social media posts or messaging.

6.2 PROVIDER PERSONNEL

6.2.1 Provider shall not hire or engage the services of any current employee of the Department unless Provider has first notified the Director or a Deputy Director of MVD.

6.2.2 Provider shall not knowingly employ any individual to provide MVD services if the individual has a conviction within the last ten years for fraud, theft, bribery, making false statements, or any crime involving dishonesty.

6.2.3 Provider shall not, without written permission from MVD, employ any individual to provide MVD services if the individual has been subject to disciplinary action within the last ten years, to the extent records are available, for alleged fraud, theft, bribery, making false statements or any crime involving dishonesty during the course of employment.

6.2.4 Provider shall immediately suspend any employee from access to MVD products and service delivery upon notification from MVD or TRD that a criminal or administrative investigation has been initiated with regard to that individual.

6.2.5 Provider shall notify an MVD Deputy Director of the separation of any employee from its employment within twenty-four (24) hours from the date of separation.

6.2.6 Provider shall notify an MVD Deputy Director in writing within two (2) business days of an arrest, on any charge, of any of Provider's Users.

6.2.7 Provider shall maintain accurate records of all Provider personnel working on MVD matters. The roster shall contain the name, address, date of birth, date of hire, social security number, and work schedule of such personnel. The records shall also contain the date that Provider performed the background investigation of Section 5.2.1.1, above, pertaining to each member of Provider's personnel who works on MVD matters or has access to Motor Vehicle Information. Such records shall be made available for MVD's review within a reasonable timeframe following any written request from MVD.

6.3 TRAINING

6.3.1 Training plans developed by Provider pertaining to MVD matters may be reviewed and approved by MVD to ensure correctness of material and to ensure

standardization of training information.

6.3.2 Provider shall maintain training records for all employees working on MVD matters. Records shall include all basic, advanced, or remedial instruction provided to the employee by MVD or by Provider. Training records shall be maintained on site and made available to Authorized MVD Representatives upon request.

6.3.3 All employees of Provider who work on MVD matters shall attend training sessions as required by MVD. Refresher training is required of Provider personnel every two years or as determined by MVD. All wages, costs and other expenses for Provider and its employees, including travel, lodging and meal costs for any training shall be borne by Provider.

6.3.4 Each initial user and all new Provider users will be required to attend an MVD-approved vendor training session for Driver Services, Vehicle Services, or both services as applicable, before providing services under this contract.

6.3.5 All employees of Provider must complete an annual Security Awareness Training session provided on-line by TRD/MVD.

6.3.6 All Providers approved to offer Driver Services are required to complete Fraudulent Document Recognition training provided on-line by TRD/MVD.

6.3.7 Provider agrees to comply with MVD requests that any named Provider employee complete required future and ongoing MVD training within a timeframe set by MVD in the event particularized training is required for said employee, as determined by MVD in consultation with Provider.

6.3.8 All employees of Provider who work on MVD matters must be sufficiently trained on MVD policies, procedures, processes and software, including training on system access and transaction completion, before being allowed to process driver or vehicle transactions.

6.3.9 Provider shall comply with, and train employees on the confidentiality provisions contained in Section 66-2-7.1, NMSA 1978 and in the DPPA and submit proof of such training to MVD on a yearly basis for each employee.

6.3.10 Provider shall establish and adhere to a timely distribution and training procedure for written materials and instructions forwarded to Provider by MVD.

6.4 AUDITS, INSPECTIONS AND INVESTIGATIONS

6.4.1 All Provider service locations are subject to periodic audits and inspections without prior notice by TRD/ MVD, including but not limited to TFID and Authorized MVD and TFID Representatives, at any time and from time to time, in the sole discretion of MVD, to evaluate Provider's operations to ensure compliance with this Agreement, as well as with state and federal laws, rules, and regulations. Authorized TRD, MVD, OIO and TFID Representatives are entitled to make copies

of all Provider records at Provider's expense. Records including bank records for accounts used for MVD-related business, shall indicate the date, time and nature of the services rendered and shall include, but not be limited to, MVD required transaction reports, payments to MVD, balance and close out documents and daily financial records, such as bank deposit information with daily revenue summaries for the office total. Provider shall scan all required documentation pertaining to transaction within 24 business hours of transaction being processed. Provider will keep the original records securely at its service locations until confirmation of the scanned documentation has been verified. Once verification has been confirmed Provider will properly destroy documentation following the required Mandatory Destruction Process in accordance with Federal and State law and policies. Records that contain confidential or sensitive information shall be destroyed through a bonded and insured document recycling vendor or by shredding in such a manner that the information cannot be read, interpreted or reconstructed. Failure to comply with the provisions of this subparagraph shall constitute a material breach of this Agreement, entitling MVD to disallow access to the MVD system for transaction processing or to pursue any of the remedies provided in Paragraph 12 below.

6.4.2 Provider shall be informed in writing of any deficiencies with applicable laws, rules, regulations and/or this Agreement that are determined to exist following an audit and/or inspection procedure. Within ten (10) business days Provider shall develop for MVD's review and approval a plan and a timeline to correct reported deficiencies. Failure to adhere to the MVD approved plan and timeline shall constitute a material breach of this Agreement, entitling MVD to disallow Provider's access to the MVD system for transaction processing or to pursue any of the remedies provided in Paragraph 12 below.

6.4.3 Provider shall inform all employees, agents and contractors in writing that they are authorized to report violations of applicable laws, rules, regulations, or conditions of this Agreement directly to the TFID of TRD.

6.5 INVENTORY AND SUPPLIES

6.5.1 Provider shall, at all times, maintain an accurate inventory of supplies and resources that have been provided by MVD as well as other MVD required resources. MVD shall provide a list of items to be inventoried by Provider, and a format for Provider to follow.

6.5.2 Provider shall initiate an investigation to determine the cause of each inventory discrepancy. A written report of inventory discrepancy investigations shall be submitted to the TFID and an MVD Deputy Director upon completion.

6.5.3 Provider shall maintain a record of ordered inventory, received inventory, inventory used, and inventory discrepancy reports. Inventory records shall be maintained on site and made available to Authorized MVD Representatives upon

request. Records shall be retained in accordance with Provider record retention requirements and/or MVD record retention requirements. In no case will records be destroyed without MVD approval.

6.5.4 Provider shall secure cash registers or locking drawers for operational funds and monies received.

6.5.5 Provider shall have a safe, lockable room, or secured locking cabinet for MVD inventory.

6.5.6 Provider shall immediately report the discovery of any theft, burglary, or loss of equipment or controlled documents or products to the appropriate local law enforcement agency and the Deputy Director of MVD.

6.5.7 Provider shall reimburse MVD for any loss of MVD inventory and agrees to reimburse MVD for any direct or indirect loss sustained as the result of such loss.

6.6 SECURITY

6.6.1 Provider shall implement a physical security plan for each business location that eliminates or reduces the potential for loss of MVD inventory or improper access to MVD data systems. The security plan shall at a minimum include the requirements in the “Mandatory Computer/Network Security Requirements.”

6.6.2 REPORTING AN INFORMATION SECURITY INCIDENT to TRD: An incident is any event that involves the real, suspected, or potential loss, disclosure, destruction, or modification of TRD’s information or information systems, including contamination of resources by computer viruses. Anything that constitutes a breach under state or federal law or regulation is considered an incident.

Every individual who accesses TRD’s information is required to report any incident or possible incident IMMEDIATELY upon discovery or as soon as the incident is suspected. Time is absolutely critical in reporting incidents, as TRD is required to meet very strict deadlines for reporting certain types of breaches – and the starting point of the timeline is when the incident is discovered. Incidents must be reported to the individuals listed below:

Contact Partner Management at:

Email: Pmu.mvd@state.nm.us

For Information Security Incidents immediately contact the TRD IT Support Team at:

Email: TRD.Support@state.nm.us

Phone: (505) 827-2281

Additionally, for unauthorized disclosures of TRD's confidential information immediately contact:

E-Mail: TRD.Disclosure@state.nm.us

Phone: (505) 827-2281

6.7 USER IDENTITY MANAGEMENT

6.7.1 Provider, and its Office Manager, Supervisor(s) and each employee of Provider who works on MVD matters shall be assigned a unique set of system access codes that identifies the User and the User's permissible actions within the MVD transaction applications. This assignment of codes shall be made by the Department upon completion of a request for a User ID by Provider upon the hiring of each individual employee of Provider. Provider shall ensure that access codes are properly used and secured. Provider shall immediately change codes upon notice from MVD.

6.7.2 Each Provider employee shall be assigned a unique password. Provider shall ensure that passwords are not shared among employees or disclosed. Upon an employee's separation from employment, Provider shall notify MVD in writing within eight (8) hours that the password can be deactivated by MVD. Any violation of this provision shall be grounds for suspension or termination pursuant to Paragraph 12 below.

6.7.3 Provider shall prominently display, on the premises and clearly visible to the public, a sign no less than two feet by two feet with the following language:

"Motor Vehicle Division services provided by this office are under an agreement with the Motor Vehicle Division of the Taxation and Revenue Department. Comments regarding service or other concerns should be directed to (Name of Provider's designee, address and telephone number) or to Director, Motor Vehicle Division, P.O. Box 1028, Santa Fe, NM 87504-1028, (505) 827-2296."

7. RESPONSIBILITIES OF MVD

7.1 MVD shall provide access to Tapestry and all necessary controlled products and documents to enable Provider to perform those actions or transactions specified by this Agreement. Such products and documents may include, but are not limited to application forms, title documents, license plates and registration stickers. Such official products and documents specifically do not include customary office supplies and equipment, such as copy paper, pens, pencils, paper clips or tape and the like.

7.2 MVD shall promptly advise Provider of system/application down-time, whether scheduled or not, to the extent MVD has or obtains knowledge of such down-time.

7.3 MVD agrees to advise Provider in advance of any scheduled system enhancements

and/or software upgrades of which MVD is aware.

8. ELECTRONIC RECORDS AND ELECTRONIC REPORTING

8.1 Records are the property of MVD and shall be accessed by Provider and its employees for MVD business purposes only. For purposes of this Agreement, "records" means all documentation, regardless of physical form or characteristic, created in conjunction with the transaction of MVD business.

8.2 MVD shall make available to Provider direct access to Tapestry. Such access shall be strictly limited in scope to that information needed by Provider in the conduct of Provider's MVD related business. The information obtained through such access shall be used exclusively for the services covered by this Agreement, and Provider and its employees are prohibited from providing indirect access to Tapestry and from accessing or disseminating the information received from MVD for any other purpose unless allowed pursuant to Section 66-2-7.1, NMSA 1978 of the Motor Vehicle Code or the DPPA.

8.3 Provider shall allow only authorized Users to access Tapestry and only to obtain information necessary to perform functions and duties of Provider. No other individual or entity shall access or otherwise utilize any information or data obtained pursuant to this Agreement for any purpose not permitted or authorized in writing by MVD. Information from the records or otherwise obtained in connection herewith shall not be provided to any individual, company, entity or agency without prior authorization in writing by MVD.

9. PROVIDER COMPENSATION

9.1 Provider is entitled to no compensation from MVD under this Agreement.

9.2 In addition to the fees established by statute for each service provided by Provider, Provider shall reimburse TRD a cost recovery fee of for each transaction or service provided by Provider and will be automatically remitted to MVD the day following the transaction. The cost recovery fee is not a charge by MVD or TRD to Company's customers and may not be described as such to Provider's customers. Any written communication to Provider's customers regarding the cost recovery fee must be approved by MVD. The current cost recovery fee is \$2.00 and is subject to change.

9.3 Notwithstanding anything to the contrary contained herein, Provider may assess its own fee for each customer transaction.

10. DISCLOSURE OF INFORMATION / CONFIDENTIALITY

10.1 During the term of this Agreement, and subsequent to any termination hereof, Provider, its employees, officers, or representatives shall not disclose, distribute, make available or utilize in any manner whatsoever, any information, data, records, secrets or confidential material which was obtained in the course of performing this Agreement.

10.2 Provider and its Users/employees shall not sell or disclose to any person, firm or

corporation, any information regarding the persons to whom license plates, decals, registrations, licenses or identification cards have been issued or any information of any kind tending to disclose the number thereof issued or the person(s) to whom the same were issued.

10.3 Provider and all Users are bound by and subject to the criminal sanctions for unauthorized disclosure of confidential information found in Section 66-2-7.1(B), NMSA 1978 and the civil sanctions found in the DPPA at Title 18 U.S.C § 2724, as such statutes may be amended or renumbered. Provider shall further require all Users to sign an acknowledgement form acknowledging that the User will be subject to criminal and civil sanctions for unauthorized disclosure as provided above.

11. TERM OF AGREEMENT

11.1 This Agreement shall be for a term of four (4) years with the option to automatically renew for four (4) additional years not to exceed eight (8) years total under this agreement commencing from the date when all required signatures and approvals are obtained and affixed hereto, unless a different date is specified.

11.2 Under this Agreement, the Provider shall upload and update /Insurance coverage and Business License information in their MyMVD account no later than thirty (30) days prior to expiration of Insurance and Business License and regardless of the expiration date, complete the annual recertification process in their MyMVD account and/or as determined by TRD/MVD.

12. SUSPENSION AND REINSTATEMENT; TERMINATION:

12.1 TRD, without preliminary hearing upon a showing by its records or other sufficient evidence may immediately suspend access to any MVD data for a period of time at the discretion of the MVD Director, for violation of any material condition or obligation under this Agreement, and any alleged violation of the Motor Vehicle Code and associated MVD rules and regulations, the timely processing of MVD transactions and required remittance of MVD or TRD fees. If the Provider believes that suspension is inappropriate, the Provider may appeal the suspension in writing to the MVD Director within three (3) days of the suspension, but any such appeal does not stay the suspension. The director's decision on the appeal will be final.

12.2 Either party may terminate this Agreement without cause upon thirty (30) days advance written notice to the other. By such termination, neither party shall be excused from responsibilities or obligations incurred or to be performed prior to the notice date of termination.

12.3 MVD may terminate this Agreement immediately upon determining that the Provider or any of its employees, agents, contractors or representatives has:

12.3.1 Falsified any record or information pertaining to this Agreement.

12.3.2 Committed an act or omission that compromises or has the potential to compromise the integrity of TRD operations or systems.

12.3.3 Issued, written or produced any form of payment to TRD and said payment is returned or denied payment by any banking or credit institution, unless caused by an inadvertent error or created by a third party which is not the fault of the Provider.

12.3.4 Failed to timely remit mandatory scanned supporting documentation for processed transactions and TRD fees collected.

12.4 If this Agreement is terminated, Provider shall surrender to MVD all official records, forms, documents, supplies and equipment furnished by MVD, including the deletion of software and otherwise disabling equipment to the extent needed to ensure MVD security, that are in its possession within two (2) business days after termination date of the Agreement.

12.5 The Provisions of paragraph 12 are not exclusive and do not waive TRD's other legal rights and remedies caused by the Company's default/breach of this Agreement, including referral to appropriate law enforcement agencies for criminal prosecution.

13. INDEMNIFICATION AND ATTORNEYS FEES:

13.1 TRD shall not be responsible for any omissions, additions or errors in the records furnished by TRD or for any use or misuse of such records or the information contained therein by Provider, its employees, agents or contractors.

13.2 Provider agrees to assume all risks and to indemnify and hold harmless the State of New Mexico, New Mexico Taxation and Revenue Department, MVD, their officers, agents and employees from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including without limitation, costs, attorney's and witness' fees and expenses incident thereto, for injuries to persons (including death) and for loss of, damage to or destruction of any property and from any other liability of any nature whatsoever arising out of or in connection with the performance of duties required by this Agreement or the non-performance thereof, or resulting from any act or omission of Provider, its officers, agents, contractors, or employees, whether or not authorized or agreed to by Provider.

13.3 In no event shall TRD or its employees be liable to Provider for any direct, indirect, or consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, power failures, equipment or software failures, nuclear accidents or other disasters, nor for interruption in systems service for such reasons as repairs or upgrades.

13.4 TRD and its employees shall not be liable for any claims of any nature against Provider by any party arising from any failure of Company to transmit or interpret the record access information accurately.

13.5 In the event that any action is filed by either party in relation to this Agreement, the Provider, if unsuccessful, shall pay to TRD a reasonable sum for TRD's attorney's fees in addition to all other sums the Provider may be required to pay.

14. INSURANCE

14.1 Provider shall procure and maintain for the duration of this Agreement, at its own cost and expense, primary insurance coverage against claims for injuries to person or damages to property that may arise from or in connection with activities undertaken by Provider, its agents, representatives, employees, or subcontractors. This insurance shall cover such claims as may be caused, in whole or in part, by any act, omission, or negligence of Provider or its officers, agents, representatives, employees or subcontractors.

14.2 Provider shall procure and maintain for the duration of this Agreement, at its own cost and expense, primary insurance coverage for cybersecurity events such as hacking, ransomware, or other malfeasance by outside actors. and for the restoration of the MVD Tapestry system in event of a system compromise, failure or take-over.

14.3 Provider agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If Provider fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by MVD.

15. EMPLOYMENT STATUS

15.1 Provider, its officers, agents, representatives and employees are independent contractors performing services for MVD under this Agreement and are not employees of the State of New Mexico.

15.2 Provider, its officers, agents, representatives and employees shall not accrue leave, nor be eligible for retirement, insurance, bonding, use of State vehicles, or any other benefits afforded to employees of the State of New Mexico.

16. ASSIGNMENT

16.1 Provider shall not assign or transfer any interest in this Agreement or assign any claims for money due under this Agreement.

17. SUBCONTRACTING

17.1 Provider shall not subcontract any portion of the authorized services to be performed under Section 3 of this Agreement.

18. NOTICES

18.1 All notices or demands upon either party hereto by the other pursuant to this Agreement shall be in writing and shall be faxed, emailed, delivered in person or sent by mail.

18.2 Provider designates the following individual at the following address to be its representative to receive written notices and communications which are provided under this Agreement:

Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

Phone: _____ Fax: _____

18.3 Provider shall notify the MVD Deputy Director in writing thirty (30) calendar days prior to any change in either Provider's mailing address or Provider's designated contact person.

18.4 MVD designates the following individual at the following address to be its representative to receive written notices and communications which are provided under this Agreement:

Title: Bureau Chief, MVD Partner Management

Address: Motor Vehicle Division

P.O. Box 10168

Santa Fe, NM 87504-10168

Email: pmu.mvd@state.nm.us

Phone: (505) 827-0722 Fax: (505) 476-1707

18.5 Provider shall keep MVD informed in writing of its current emergency notification address and telephone number where Provider may be contacted in the event of an emergency. MVD shall provide similar information with regard to the MVD contact.

19. DISPUTES

19.1 In the event of a breach, the remedies of the parties are defined by the terms of this Agreement. Provider's sole remedy is specific performance on the part of MVD.

19.2 Venue of any lawsuit filed by either party against the other arising in whole or in part out of this Agreement shall be in District Court, County of Santa Fe, State of New Mexico.

19.3 Disputes between Provider and members of the public concerning Provider's denial of or failure to either allow or deny any license, permit, placard or registration provided for under the Motor Vehicle Code, shall be handled by MVD in accordance with Section 66-2-17, NMSA 1978 and customers shall be so informed as necessary.

20. SEVERABILITY

20.1 If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

20.2 MVD shall have no liability to Provider on account of this Agreement being held invalid or unenforceable, in whole or in part.

21. AMENDMENT

21.1 This Agreement may be modified or amended, but only if the amendment is made in writing and is signed by both parties.

22. MISCELLANEOUS

22.1 This Agreement and attachments referred to herein, incorporates all the agreements, covenants, and understandings between the parties concerning the subject matter of this Agreement.

Signature page to follow