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Bill Analysis
Legislative Service Commission

Am. S.B. 242
123rd General Assembly
(As Passed by the Senate)

Sens. Oelslager, Carnes, Spada, Mumper, Cupp, Drake, Armbruster, Horn, McLin, Mallory

BILL SUMMARY

- Permits an application for a motor vehicle registration renewal to be submitted in electronic form.
- Permits a motor vehicle owner to renew a motor vehicle registration by electronic means using electronic signature, and provides that in such a case a manual signature is not required.
- Requires the Registrar of Motor Vehicles to adopt rules governing the registration of motor vehicles by electronic means.

CONTENT AND OPERATION

Motor vehicle registration

Under current law, the owner of a motor vehicle (other than a snowmobile, off-highway motorcycle, all-purpose vehicle, and certain other vehicles) that is operated on the public roads or highways generally must register the vehicle annually. At least 45 days prior to the annual registration expiration date, the Registrar must send the registrant an annual renewal notice. An application for a motor vehicle registration renewal may be filed directly with the Registrar of Motor Vehicles or with a deputy registrar, or (under most circumstances) by a centralized system of mail registration. Each registration application must be signed by the owner, directly or by use of an authorized document such as a limited power of attorney. (Secs. 4503.10 and 4503.102.)

Electronic registration renewal

Under the bill, a motor vehicle registration may be renewed by mail or electronic means in accordance with rules adopted by the Registrar, or in person at "any office" of the Registrar or at a deputy registrar's office. The bill permits the

owner of a motor vehicle to submit an electronic application for registration renewal by electronic means using an electronic signature in accordance with rules the Registrar adopts.¹ A registration application still must be signed by the owner, but it may be signed either manually or by electronic signature. The bill is silent on how, or whether, a limited power of attorney could be utilized in electronic renewal. (Secs. 4503.10 and 4503.102.)

The bill requires any person renewing a registration, regardless of the renewal method, to renew the registration not more than 90 days prior to the expiration of the previous registration. The requirement for the Registrar to send out a renewal notice 45 days prior to the registration expiration date is unchanged by the bill. (Sec. 4503.102.)

The bill requires registration forms of the Registrar to be updated to reflect the availability of electronic registration and electronic signatures. The forms include registration renewal forms and notices, and statements required with a registration application relating to the financial responsibility requirements and penalties. (Secs. 4503.102 and 4503.20.)

Under the bill, the Registrar must adopt rules (in accordance with the Administrative Procedure Act) governing the renewal of motor vehicle registrations by electronic means and the completion and submission of financial responsibility statements. (Sec. 4503.20.)

Currently, if the Registrar is prohibited from accepting a registration application, the Registrar returns the application and payment to the owner. The bill specifies that if the owner of a motor vehicle submits a registration renewal application to the Registrar by electronic means and the Registrar is prohibited from accepting the application, the Registrar must notify the owner of this fact (the method of notification is not specified), deny the application, and return the payment or give a credit on the "financial transaction device" (see below) account of the owner in the manner the Registrar prescribes by rule. (Sec. 4503.102(E)(2).)

¹ The bill defines "electronic" as including "electrical, digital, magnetic, optical, electromagnetic, or any other form of technology that entails capabilities similar to these technologies" (sec. 4501.01(OO)). "Electronic signature" is defined as "a signature in electronic form attached to or logically associated with an electronic record" (sec. 4501.01(QQ)). An "electronic record" is defined as "a record generated, communicated, received, or stored by electronic means for use in an information system or for transmission from one information system to another" (sec. 4501.01(PP)).

Credit card payments

Current law authorizes the Registrar to implement a program permitting payment of motor vehicle registration taxes and fees, license fees, and any other taxes, fees, penalties, or charges imposed or levied by the state by means of a credit card, and also requires a surcharge sufficient to pay the service charge of the financial institution or credit card company. The bill replaces the surcharge requirement with authorization for payment of taxes and fees by means of "financial transaction devices" pursuant to a general provision governing payment of state expenses by such means (sec. 4503.102(H)). Under the general provision, the Board of Deposit establishes the requirements for the acceptance of payments by financial transaction device (defined under law unaffected by the bill as including credit cards, debit cards, charge cards, and prepaid or stored value cards) and may establish a surcharge or convenience fee that may be imposed upon a person making payment by a financial transaction device.² The bill adopts the existing definition of "financial transaction device" by reference (sec. 4501.01(RR)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-19-00	p. 1317
Reported, S. Highways & Transportation	03-29-00	pp. 1537-1538
Passed Senate (33-0)	03-29-00	pp. 1538-1539

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² Sec. 113.40.