

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
NORTH CAROLINA DEPARTMENT OF REVENUE  
AND THE  
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**

This is a Memorandum of Understanding (MOU) between the North Carolina Department of Revenue (NCDOR) acting through the Local Government Division (LGD) and the North Carolina Department of Transportation (NCDOT) acting through the Division of Motor Vehicles (DMV).

**I. Purpose:**

The purpose of the MOU is to comply with the requirements established in N.C.G.S. 105-330.11 for the administration of Article 22A of the North Carolina General Statutes. The MOU must contain the following:

1. A procedure for the administration of the listing, appraisal, and assessment of classified motor vehicles.
2. Information concerning vehicle identification, the name and address of a vehicle's owner, and other information that will be required on a motor vehicle registration form to implement the tax listing and collection provisions of this Article.
3. A procedure for the business practices, accounting, and costs of carrying out the integrated computer system for registration renewal and property tax collection for motor vehicles once the system has been certified to be in operation by the LGD and the DMV.

**II. Agreement:**

The LGD and the DMV agree to work together to develop a combined motor vehicle registration renewal and property tax collection system as required by Article 22A. This system is due to be operational on July 1, 2013, or when the LGD and the DMV certify that the integrated computer system is in operation, whichever occurs first. The LGD and the DMV must consult with the North Carolina Association of County Commissioners, acting on behalf of all counties, and the North Carolina League of Municipalities, acting on behalf of all municipalities in developing the system, and obtain their signed endorsements before the system is implemented.

### **III. Parties Subject to this Agreement:**

1. North Carolina Department of Revenue
  - Local Government Division (LGD)
  - IT Division
2. North Carolina Department of Transportation
  - Division of Motor Vehicles
  - DOT Fiscal Division (NCDOT)
  - IT Division
3. North Carolina Counties
  - North Carolina Association of County Commissioners
4. North Carolina Municipalities
  - North Carolina League of Municipalities

### **IV. History:**

North Carolina counties, municipalities, and special districts collect property tax on motor vehicles registered in the state. Under the existing system, DMV sends monthly data to all counties identifying those motor vehicles that have been issued or renewed registrations for the month; this process was initiated in May, 1993. The counties then send a bill to the motor vehicle owner for the property taxes due on the vehicle. If the motor vehicle owner fails to pay the property tax for the vehicle within a designated time period, the county notifies DMV to place a registration stop on the vehicle. The motor vehicle owner then cannot be provided registration services on the vehicle by the DMV until proof has been provided that the taxes have been paid. Under the current system, a high percentage of vehicle property tax is paid late or not at all. Currently, within a fiscal year, vehicle property taxes are collected by the counties for 85% to 91% of the registered vehicles. The counties would like to improve this collection rate within a fiscal year by requiring the payment of the vehicle property taxes with the issuance or renewal of a vehicle registration. To support this vision, HB 1779 was ratified in August, 2005.

### **V. Overview of New System:**

In the current system, the customer pays for a vehicle registration issuance or registration renewal and is separately billed and makes payment of vehicle property taxes to the county collector. In the new system these distinct activities are combined into a single customer transaction. Although every vehicle registration renewal triggers the generation of a vehicle property tax notice, there are customers who choose not to pay those taxes. The new system will require the vehicle property tax to be paid in full at the same time the vehicle registration renewal fees are paid.

As previously identified, an improved property tax collection rate is the primary reason for the implementation of HB1779. Fiscal groups will continue to receive the same detailed level of information as is currently made available to them through the STARS, DOT SAP and county fiscal systems. The combination of the vehicle registration renewal and vehicle property tax payment systems will, as logically and systematically as possible, put this information in one location.

Until program implementation, unpaid vehicle property tax accrues interest, but late vehicle registration renewal does not. The new system will have the capability of calculating and requiring interest payments for both elements of the combined vehicle registration renewal and property tax notice. Customers will continue to have the opportunity to appeal the value of the motor vehicle and the taxability of the motor vehicle. County tax office staff will have access to a Vehicle Tax System (VTS) to situs, appraise and assess property taxes on motor vehicles located in their county. The counties will be able to view property tax payment information in the VTS and when necessary, approve a full or partial refund of the vehicle property taxes paid. The financial accounting for these refunds will be maintained within the VTS.

## **VI. Business Objectives**

The major business objectives of the new system are as follows:

1. Improve the collection percentage of vehicle property taxes for the NC counties
2. Reduce the percentage of delinquent vehicle property tax payments
3. Improve customer service
4. Support an improved tax valuation process for registered NC motor vehicles

## **VII. General Scope of the New System:**

1. Generate Billing Information for Vehicle Property Tax and Registration Renewal

The current registration renewal and tax notices will be combined into a single notice. The combined notice will contain all the information on the current registration and tax notices as well as any additional information identified and agreed upon by the parties subject to this MOU. Parties signing this MOU must agree on the format and content of the combined notice and therefore must be in agreement to changes in the content and format.

2. Collect Vehicle Property Tax and Registration Renewal

The counties will no longer collect property tax on classified registered motor vehicles that have been sent a combined notice, unless they are a collecting authority as defined in GS 105-330. Instead, DMV and other authorized collecting

authorities will collect the vehicle property taxes and any interest when the customer requests a new vehicle registration or renews an existing vehicle registration. The customers will be able to pay the property taxes and fees, and registration/renewal fees in person, by mail, or by using the STARS internet application which will be revised to also collect the registration fee, property taxes, and any applicable interest for late registration and property tax fees. Also, NCDOT will revise STARS and, as needed, other DOT fiscal software to facilitate the distribution of the collected property taxes to the North Carolina counties.

### 3. Deny Registration Renewal for Unpaid Vehicle Property Tax

If the vehicle property tax has not been paid for a vehicle, a vehicle registration cannot be renewed or issued for that vehicle, except in the case of a limited registration plate (LRP), on any vehicle for which the vehicle tax year begins on or after October 1, 2013. The counties will no longer need to send DMV a list of vehicles with unpaid property tax to deny registration renewal for motor vehicles whose property tax year begins on or after October 1, 2013. The counties will continue to send DMV a list of vehicles for which the property tax year begins on or before September 1, 2013, if the taxes are delinquent.

### 4. Facilitate the Tracking and Reporting of Fiscal Activities for Vehicle Property Taxes

Special accounts will be set up to track the collection of vehicle property taxes. Existing fiscal reports will be revised to report on vehicle property taxes. In addition, enhancement will be made to allow the tracking of the distribution of compensatory fees to DMV for the collection of vehicle property taxes.

### 5. Apply Interest to Delinquent Vehicle Property Tax

When a vehicle owner renews a registration after the due date, interest is applied to the tax amount. Interest accrues at the rate of five percent (5%) for the remainder of the month following the date the taxes are due. Interest accrues at the rate of three-fourths percent (3/4%) beginning the second month following the due date and for each following month until the taxes and fees are paid. STARS and VTS will calculate the interest and charge the customer at the time the registration is renewed.

### 6. Apply Interest to Unpaid Registration Fees

Beginning on September 1, 2013, interest will accrue for registration renewal fees paid after the due date for those renewal fees paid in the new combined system. Effectively, this will occur for September 2013 expirations that are renewed after October 15, 2013. The interest on registration fees will be five percent (5%) for the remainder of the month following the date the taxes are due. Interest accrues at the rate of three-fourths percent (3/4%) beginning the second

month following the due date and for each following month until the taxes and fees are paid. DMV will calculate the interest and charge the customer at the time the registration is renewed.

#### 7. Allow Partial or Full Refund of Vehicle Property Tax

If a customer appeals the property tax value or taxability and the appeal is decided in the customer's favor, the customer may be entitled to a refund if the taxes have been paid. The county will handle all refunds through the VTS and will maintain accounting records for such refunds within VTS. Similar refunds will occur when a registration plate is turned in and the vehicle is sold, or the customer moves out of state and re-registers the vehicle in another state. Refunds granted due to a proration of the property taxes will be handled by the counties within the VTS.

#### 8. Support Tax Valuation Process for Vehicle

The value of the vehicle is a component of the calculation of the property tax for the vehicle. The VTS will determine the value of the vehicle based upon the schedule of values, standards, and rules adopted by the LGD.

#### 9. Allow inquiry of vehicle property tax information

Beginning in 2014, vehicle owners will be able to inquire on the taxes paid for a vehicle for up to the current plus three historical years, as long as those taxes were paid under the new combined system. Property tax payment information will not be converted from the existing county systems for inquiry purposes. As a result, the inquiry option will not provide property tax payment information prior to the implementation of this program.

### **VIII. Detailed Requirements and Responsibilities of the Parties:**

#### 1. The North Carolina Department of Revenue:

- a) The LGD will annually adopt a schedule of values, standards, and rules to be used in the valuation of all classified motor vehicles to ensure equitable statewide valuations.
- b) The LGD will contract with a third party vendor to provide the motor vehicle values to be used by the counties to determine the taxes owed on each motor vehicle, and require the vendor to make the motor vehicle values available to the VTS.
- c) All costs for the services rendered by the valuation vendor will be paid for by the counties and municipalities. Each unit of local government

will pay its proportionate share of the cost of valuing each motor vehicle.

- d) The LGD, through a third party vendor, will prepare, print and mail a combined notice for each registered classified motor vehicle which will contain all county and municipal corporation taxes and fees due on each motor vehicle as computed by the assessor. The notice must also contain the registration fee imposed by the DMV.
- e) By way of this MOU, the LGD agrees to select the DMV as the third party vendor responsible for preparing, printing and mailing the combined notice.
- f) The LGD reserves the right to change vendors by notifying the DMV of the proposed change at least twelve months in advance of the effective date of the change.
- g) The combined notice will be developed by the LGD and the DMV and be approved by all parties subject to this MOU. Any updates or changes to the combined notice must also be approved by these parties.
- h) The LGD will establish a fee equal to the actual cost of preparing, printing and mailing the combined notice. The fee will include all costs including the costs associated with the third party valuation vendor and the third party vendor responsible for preparing, printing and mailing the combined notice.
- i) The LGD will use the accounting reports developed in the new system to ensure that tax payments and fees received are properly accounted for and to ensure that all taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least once a month by NCDOT.
- j) The LGD will assist in providing support and training to counties on all portions of the VTS and to cooperate with counties, municipalities, DMV, and DOT to ensure all areas of the new system work together efficiently.
- k) The LGD agrees to use the information contained within the combined system to make a good-faith effort to answer all customer inquiries which it receives. Questions for which the answer is not available in the system will be referred to the appropriate agency.

- l) The Department of Revenue's IT Division will be the owner of the VTS and will provide the technical support for the VTS once the system is up and running.

## 2. The Division of Motor Vehicles

- a) The DMV agrees that in order to implement the requirements of this legislative mandate, NCDOT's State Titling and Registration System (STARS) must be enhanced to interface with the VTS in order to meet all the requirements of Article 22A of the North Carolina General Statutes. Modifications will also be made to the following DOT applications that interface with STARS: Business System Improvement Project (BSIP), Emissions, and Return Check.
- b) The enhancements to STARS and other NCDOT applications will be made as agreed upon by the parties to this MOU.
- c) By way of the MOU, the DMV agrees to be the third party vendor which will be responsible for the preparing, printing and mailing of the combined notice required under Article 22A. The DMV will be reimbursed for all costs associated with preparing, printing and mailing of the combined notice.
- d) The DMV will mail a combined notice on each vehicle to the owner of the vehicle at least 75 days before the registration expires.
- e) The DMV reserves the right to decline being the third party vendor by notifying the LGD of the proposed change at least twelve months in advance of the effective date of the change.
- f) The DMV will evaluate at least annually the cost of implementing the program and report necessary revisions to all parties.
- g) The DMV will take payments through the following methods:
  - 1. In person by cash, check, and credit or debit cards
  - 2. By mail with check
  - 3. Through on-line payments by credit and debit cards
- h) The DMV will pay its percentage of any and all bank-imposed fees or merchant card processor imposed fees associated with each completed transaction.
- i) The data from the counties to apply property tax stops for delinquent taxes billed for registered motor vehicle whose tax years begins on or

before September 1, 2103 will be accepted by the DMV until May 1, 2014.

- j) Each time a title and initial registration is issued on a motor vehicle the DMV will collect the following information on the vehicle:
  - 1. Name of owner
  - 2. Lessor if the vehicle is leased
  - 3. Address of owner
  - 4. Situs/Location address if different than residence address
  - 5. Mailing address if different than residence address
  - 6. Licensed Weight of the vehicle
  - 7. VIN number
  - 8. Make of vehicle
  - 9. Model of vehicle as provided by the VINA package.
  - 10. Style of vehicle
  - 11. Weights as provided by the VINA package.
  - 12. Title Number
  - 13. Sales price of the vehicle if available at the time title is issued.
  - 14. Date of the sale
  
- k) Each time a registration renewal is issued on a motor vehicle DMV will collect the following information on the vehicle:
  - 1. Address of owner
  - 2. Situs/Location address if different than residence address
  - 3. Mailing address if different than residence address
  - 4. Licensed Weight of the vehicle
  
- l) The combined motor vehicle registration renewal and property tax collection system developed by the parties subject to this MOU will use all the information listed in subsection (j) above as well as all other DMV information necessary to situs, appraise and assess a property tax on each registered motor vehicle at the time a new registration is issued on a motor vehicle or the registration renewal is prepared or recalculated.
  
- m) The DMV will provide each county access to all information listed in subsection (j) above as well as all other DMV information necessary for the county assessor to situs, appraise and assess a property tax on each registered motor vehicle located in the county. All functionality of the current VQ36 and VQ40 screens will remain accessible to counties through the new system. Each month, the DMV will provide to the VTS all the information on all registered vehicles necessary for each county



assessor to situs, appraise and assess the taxes on each motor vehicle subject to be renewed each month.

- n) The DMV will be responsible for all training and support to all collecting authorities for all specific functions and changes in the new system.
- o) The DMV agrees to use the information contained within the combined system to make a good-faith effort to answer all customer inquiries which it receives. Questions for which the answer is not available in the system will be referred to the appropriate agency.
- p) The DMV will refuse to process or register a motor vehicle if all the taxes, fees and interest are not paid in full. If paid by mail, the DMV will return the money to the customer and request full payment before the motor vehicle can be registered.

### 3. Department of Transportation Fiscal Division

- a) All cash activity (receipts and disbursements) will be reflected and accounted for in the NCDOT's Financial System. The financial collections will be segregated for financial reporting, compliance standards, and audit requirements.
- b) NCDOT will identify and segregate the funds for distribution no later than the eighth business day following the month of collections. All distributions will be made by the 15th of each month reflective of the prior month's cash collections inclusive of adjustments. Current month revenue collections will be reduced for DMV processed refunds, charge backs, and bad debt resulting from current month or prior month collections. Additionally, all costs incurred by the NCDOT related to collections identified herein will be deducted from the monthly distributions. All collections will be distributed by Automated Clearing House (ACH) to the county level. No collections will be distributed to any municipalities or other taxing jurisdictions by NCDOT.
- c) Each month the accounting reports developed in the new system will enable the NCDOR to ensure that tax payments and fees received are properly accounted for and to ensure that all taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least once a month.
- d) All operational costs incurred by the NCDOT, the NCDOR, the North Carolina Department of State Treasurer (NCDST) and costs paid to third-party vendors for processing electronic payments ( merchant cards), will be deducted from the monthly distributions on a pro rata

basis. Costs paid to each third-party vendor will be based upon the average cost per transaction for all transactions processed by the vendor, adjusted for costs not related to vehicle property tax payments. Such adjustments will be based upon the percentage of non-vehicle tax payment amount (portion of a payment transaction retained by the NCDOT) to the total payment amount.

- e) Operational costs incurred by both the NCDOT and NCDOR will be deducted from the taxes collected in each transaction to cover personnel and other operating expenses based on an approved budgetary need. Banking costs incurred by the NCDST for non-electronic payment transactions (i.e., per check receipt and currency receipts) will be deducted in accordance with the fee schedule provided by NCDST. The NCDOT and NCDOR will review all fixed cost at least once a year and make necessary adjustments.
- f) Distribution of funds for vehicle property tax collections will be reduced for refunds, insufficient funds, charge backs, and any financial transaction that was not completed.
- g) At such time a payment cannot be completed or is subsequently reversed, such as insufficient funds or charge backs from credit card transactions, the revenue recorded and or paid to the county will be reduced. Any bank-imposed fees or merchant card processor imposed fees will be charged on a prorated basis based on the transaction amount.
- h) For overpayments made by mail of less than \$5.00, the DMV will complete the transaction and the overpayment will be retained by the NCDOT unless the motor vehicle owner requests a refund.
- i) All interest earned on local government taxing units' revenue, while being held by NCDOT prior to distribution, will be distributed to counties with the monthly distribution along with appropriate detail allowing further distribution on a proportionate basis to the local government taxing units within each county.
- j) NCDOT will compensate license plate agents (LPA) for the collection of vehicle property taxes each month as required in N.C.G.S. 20-63(h). NCDOT will compensate license plate agents for the issuance of each LRP as required by N.C.G.S. 20-63(h). NCDOT will compensate the LPA for any property tax collection on motor vehicles whose registration renewals expire on or between September 30, 2013, and February 28, 2014 as required by Session Law 2013-372. The compensation will be made by the 15th business day following the prior month collections. This compensation will be reimbursed through ACH

to each tag agent. All payments will be reported to the Internal Revenue Service as 1099 reportable income.

- q) The NCDOT agrees to use the information contained within the combined system to make a good-faith effort to answer all customer inquiries it receives. Questions for which the answer is not available in the system will be referred to the appropriate agency.

#### 4. Counties and Municipalities

- a) Each county assessor will use the VTS to situs, appraise, and assess each registered vehicle located in his/her county. This process must be completed on all vehicles in the county within the time period required by DMV in order to prepare and mail the combined notice to meet the DMV business needs.
- b) Each county assessor will determine the taxability of each motor vehicle and code those which do not owe property taxes due to an exemption or exclusion.
- c) Each county assessor is responsible for entering all the tax rates and fee amounts for all the taxing jurisdictions located in the county. The rates and fees must be entered into VTS by July 1, of each year.
- d) To ensure equitable statewide valuations of motor vehicles, each county assessor must use the schedule of values, standards, and rules adopted by the LGD each year to appraise each motor vehicle located in her/his county.
- e) Each county is responsible for distributing the revenue collections to all local taxing units within its boundaries as agreed upon between the county and the local taxing units.
- f) Each county assessor must approve all refunds of property taxes due to appeals, corrected billings and prorations before they can be processed within the VTS.
- g) All refunds of property taxes will be mailed to the customer by the county.
- h) Each county assessor is responsible for updating the VTS with any new addresses, changes in addresses and changes in tax jurisdiction boundaries.
- i) Each unit of local government agrees to use the information contained within the combined system to make a good-faith effort to answer all

customer inquires which it receives. Questions for which the answer is not available in the system will be referred to the appropriate agency.

- j) Each unit of local government or tax jurisdiction will pay to DOT its share of an overhead fee, including a fixed fee each time a notice is generated on a motor vehicle and variable costs agreed upon by the parties subject to this MOU and as indicated in Attachment A to this MOU.
  
- k) The overhead fee will vary depending on the type of transaction but will include the following costs each time a combined notice is generated by the combined motor vehicle registration renewal and property tax collection system.
  - 1. The cost of maintaining the combined motor vehicle registration renewal and property tax collection system.
  - 2. The cost of valuing each motor vehicle through the third party vendor selected by the LGD.
  - 3. A fee for each notice generated to cover the DOR's operating costs associated with the collection of property taxes through the combined motor vehicle registration renewal and property tax collection system.
  - 4. A fee for each notice generated to cover the DMV's operating costs associated with the collection of property taxes through the combined motor vehicle registration renewal and property tax collection system.
  - 5. A fee for each notice generated to cover the NCDOT Fiscal's operating costs associated with the collection of property taxes through the combined motor vehicle registration renewal and property tax collection system.
  
- l) Limited Registration Plate: Any time a limited registration is issued pursuant to G.S. 20-79.1A, all additional costs for this type of transaction will be added to the overhead fee from (k) above. A breakdown of the additional costs is listed in attachment A of this MOU. The additional costs include the following items:
  - 1. Cost of the extra "T" sticker.
  - 2. Cost of the temporary registration card.
  - 3. Cost of Property Tax Notice.
  - 4. Cost of compensation paid to LPA for issuance of a LRP..
  
- m) A collection fee will be paid to the DMV for collecting property taxes pursuant to N.C.G.S. 105-330.5(b). This fee is equal to the compensation paid for registration renewals conducted by contract

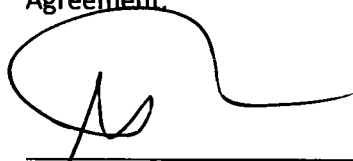
agents under N.C.G.S. 20-63(h). The actual compensation paid is as agreed upon by the parties subject to this MOU and as indicated in Attachment A to this MOU. If property tax is not collected then no collection fee is paid to the DMV.

- n) Merchant Fees: Each unit of local government or tax jurisdiction will pay its proportionate share of all the additional costs which are the result of a completed transaction in which the customer pays the taxes and fees due with a merchant card (credit card, debit card or ACH draft).
- o) Refunds: Each unit of local government or tax jurisdiction will pay its proportionate share of all the costs which are the result of all refunds that have been approved and processed by the county using the VTS. This includes the costs of processing the refund and mailing a check to the customer.
- p) A fee for each notice generated will be paid to the DOR to cover its operating costs, including printing and mailing the combined notice, associated with the collection of property taxes through the combined motor vehicle registration renewal and property tax collection system.
- q) The fees will be proportionately shared as a deduction from the tax amounts collected from all taxing jurisdictions and will not be itemized on the combined notice, but will be itemized in the accounting reports.

#### IX. Review of Fees and all Other Costs.

1. The NCDOT will submit to the LGD by January 31, 2014, a report that shows the actual costs from the prior 6 months which make up the overhead fee and additional costs of all types of transactions and refunds covered under this MOU. The LGD will review the costs and recommend to the NCDOT, the NCACC and the NCLM any adjustments that need to be made. These adjustments to the costs numbers will be made once approved by all parties subject to the MOU. Each following January, the NCDOT will submit to the LGD a report that shows the actual costs from the prior 12 months. The LGD will review the costs and recommend to the DMV, the NCACC and the NCLM a new fee schedule for the fiscal year which begins on July 1, following the January, reporting date. All parties subject to this MOU have to agree on and approve the new fee schedule. Until all parties approve the new schedule, the prior year's schedule remains in place.
2. The applicable fees beginning July 1, 2013 are detailed in Attachment A.

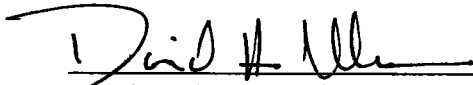
The provisions in this Memorandum of Understanding are agreed to by the parties subject to the Agreement.



Nicholas J. Tennyson, Commissioner  
NC Division of Motor Vehicles

9/30/13

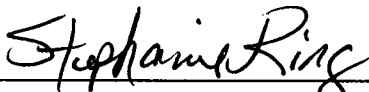
Date



David H. Ulmer, Chief Information Officer  
NC Dept. of Transportation

9/30/13

Date



Stephanie King, Accounting Operations Director  
NCDOT Financial Management Division

9/30/13

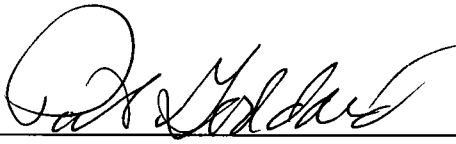
Date



David Baker, Director Local Government Division  
NC Dept. of Revenue

9/30/13

Date



Pat Goddard  
NC Association of County Commissioners/NC League of Municipalities

9/30/13

Date

## Attachment A

All parties subject to this MOU have agreed to the following compensation schedule as required by Session Law 2013-372 .

NCDOT will compensate the LPA for the collection of property tax in the amount of \$1.06 each time property tax is collected on motor vehicles whose registration renewals expire on or between September 30, 2013, and February 28, 2014.

NCDOT will compensate the LPA for the collection of property tax in the amount of \$0.71 each time property tax is collected on motor vehicles whose registration is issued on or after September 1, 2013.

NCDOT will compensate the LPA for the collection of property tax in the amount of \$0.71 each time property tax is collected on motor vehicles whose registration renewals expire after February 28, 2014.

NCDOT will compensate the LPA in the amount of \$1.27 each time a LRP is issued by the LPA on or after September 1, 2013.

NCDOT will compensate the DMV for the collection of property tax in the amount of \$0.71 each time property tax is collected on motor vehicles whose registration renewals expire on or after September 30, 2013 or whose registration is issued on or after September 1, 2013.

Attachment A

Projected Operating Cost for FY 2014

Overhead Cost	Variable Cost
Contract Labor Stars	160,000
Labor STARS Team	97,500
Labor WEB Services	45,000
Labor Security / PCI Compliance	123,500
STARS Computer Usage	403,095
Bad/Returned Check Computer Usage	15,000
BSIP Computer Usage (Recovery Cost)	29,956
CPS Charges (.23 per transaction)	605,495
VTS Annual Software Licenses	520,000
PCI Compliance HW and SW Maint & Support	224,175
Annual Software Licenses and Upgrades	46,500
H/W Support (credit card devices)	41,250
Accounting Mgr (Journey)	107,924
Accountant (Advanced)	105,174
Accountant (Contributing)	199,580
Accounting Tech (Advanced)	128,104
Accounting Tech (Journey)	108,326
Office Supplies	12,600
Telephone Charges	1,880
Office Space (64 sq.ft at \$16 sq.ft)	11,088
PG65 Administrative Assistant II	265,625
PG63 Information Processing Tech	1,703,741
PG64 Title Examiner Supervisor I	99,609
PG67 Administrative Officer I	35,768
PG59 Processing Assistant IV	144,526
Staff Development Specialist I	178,841
PG57 Processing Assistant III	75,890
Telephone Monthly Fee (45)	25,380
Telephone Monthly Fee (34)	7,344
Office Supplies	23,700
Printer Toner	46,944
Office Space (64 sq.ft at \$16 sq.ft)	97,328
Copier Maintenance Agreements	1,904
Printer Toner Contract Agents	172,780
FT05-T Envelope (Per 1,000)	191,730
Postage Rate	2,611,000
MSC Fee (Per 1,000)	42,000
Printing/Toner/Perforated Paper	420,000

Branch Agent Compensation (property tax) 0.48  
 DMV Compensation (property tax) 0.48  
 Credit Cards\* 1.93%  
 PIN Debit Cards\* 1.05%  
 LRP 0.50383

\* Credit Card and Debit Card Percentages are reflected on this spreadsheet as an estimated amount. The actual monthly cost will be calculated and applied every month.



Attachment A

**Projected Operating Cost for FY 2014**

Labor DOR Local Government Team	DOR	88,330
Labor DOR Local Government Team	DOR	81,535
Labor DOR IT Team	DOR	207,932
Annual Software Licenses and Upgrades	DOR	35,500
Disaster Recovery Hosting	DOR	54,060
ITS Connectivity/Firewall	DOR	44,676
TEC Data Software Subscription	DOR	584,000

<b>Total Overhead Cost</b>		<b>10,226,290</b>
<b>Total Overhead Cost / 8.5 Million Transactions</b>		<b>1.21</b>

\*\*The total costs will be shared proportionately by all taxing jurisdictions within a county which will reduce the county's share of the total costs.

# Overhead and Variable Costs Per Transaction

Allocation Groups		Overhead	LPA	DMV	Credit	LRP		
Overhead	Comp	Comp	Card*	Pin Debit*	Cost			
1.21	0.48	0.48	1.93%	1.05%	0.50383			
<b>Action</b>	<b>Payment Method</b>	<b>Collection Amount</b>	<b>LPA Comp</b>	<b>DMV Comp</b>	<b>Credit Card</b>	<b>Pin Debit</b>	<b>LRP</b>	<b>Total</b>
Combined Bill by renewal or issuance								\$ 1.21
LRP Purchase							0.5038	\$ 0.50
Internet payment of property tax	CC	\$ 107.00		0.48	2.07			\$ 2.55
Mail-in payment of property tax	Cash/Check	\$ 107.00		0.48				\$ 0.48
DMV walk-in payment of property tax	Cash/Check	\$ 107.00		0.48				\$ 0.48
DMV walk-in payment of property tax	CC	\$ 107.00		0.48	2.07			\$ 2.55
DMV walk-in payment of property tax	DC	\$ 107.00		0.48		1.12		\$ 1.60
LPA walk-in payment of property tax	Cash/Check	\$ 107.00	0.48					\$ 0.48
LPA walk-in payment of property tax	CC	\$ 107.00	0.48		2.07			\$ 2.55
LPA walk-in payment of property tax	DC	\$ 107.00	0.48			1.12		\$ 1.60

\* Credit Card and Debit Card Percentages are reflected on this spreadsheet as an estimated amount. The actual monthly cost will be calculated and applied every month.

\*\*The total costs will be shared proportionately by all taxing jurisdictions within a county which will reduce the county's share of the total costs.