



Hawaii Information Consortium, LLC

Background on Convenience Fees

Background

Hawaii state law permits agencies to establish electronic access fees for “value-added” online services pertaining to public access to records and electronic transactions, in order to fund the development, operation, maintenance and expansion of all services on the Portal. The policy of the State of Hawaii is that these fees will be assessed to Portal users so that the Portal can be supported and electronic services delivered for all of Hawaii’s citizens and businesses without using state tax dollars.

The successes the Portal has enjoyed in the past several years, first with one agency, then two, then three, and so forth, have laid the foundation for further successes in the future.

Legislation

The state Internet portal was authorized in legislation, SB2838 from the 2000 session. This was signed as Act 292 of the 2000 session. Section 3 of SB2838, addresses the authority of government agencies to charge a convenience fee through the portal, stating

"SECTION 3. Any statute to the contrary notwithstanding, government agencies may charge for value added electronic services provided through the portal manager."

Considerations in Setting Value-Added (convenience) Fees

Act 292 makes it clear that it is the government agency, not the portal manager, that has the authority to charge the value added fee. From a practical standpoint, and the way the portal has operated to date, is that the portal manager and the government agency work together to establish a reasonable convenience fee. The objective is to balance the portal’s need for continued funding with the perceived public value of the online service.

Regarding the process by which fees are set, they are based on market research on what other states are charging for similar services, and a qualitative evaluation of the value-add by putting the service online. The ideal fee is one that the public perceives is a “good deal” in consideration of the convenience, speed, and overall value of the online service.

For example, what convenience fee would most people feel is reasonable to avoid the hassle and cost of taking time off from work, driving downtown, finding and paying for parking, waiting in line at a government building, and having to pay cash at the counter?



Examples of eHawaiiGov Convenience fees

Application	Statutory Fee	Portal Convenience Fee
Certificate of Good Standing	\$5.00	\$2.50 (add-on)
Online Tax Filings	Varies per taxpayer	\$1.00 + 2.25% credit card fee (add-on)
Vital Records (birth & marriage certificates)	\$10.00	\$1.50 + \$.25/copy (add-on)
DCCA Professional Vocational Licenses	Varies by profession: \$50.00 to \$200.00	10% of statutory fee
DCCA BREG Filings	Varies by type of filing: \$5.00 to \$50.00	Varies by type of filing: \$1.00 to \$20.00
Land Title Records	Per page fee to Bureau of Conveyances	10% + 3% credit card fee
Fishing Licenses	\$10.00	\$1.50 (add-on)
Online Criminal History	\$10.00	\$3.00 (add-on)