



# VERMONT LEGISLATIVE Joint Fiscal Office

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## Fiscal Note

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### **S.123 – An act relating to miscellaneous changes to laws related to motor vehicles**

As passed by the Senate

#### **Bill Summary**

The annual miscellaneous motor vehicle bill contains numerous amendments and technical corrections to Vermont's vehicle statutes.

#### **Fiscal Impact**

Eight sections of the bill carry a fiscal impact. In total it will reduce Transportation Fund revenues by approximately \$353,000 in FY26 and a smaller but indeterminate amount in FY27 and beyond.

*The bill is estimated to reduce Transportation Fund revenues by \$353,000 in FY26.*

#### **Sections with Fiscal Impacts**

##### **Section 5,8,9: Department of Children and Families Exemptions**

Among other things, these sections contain proposals that would exempt individuals under the age of 23 years of age who were in the custody and care of the Commissioner for Children and Families after attaining 14 years of age from the fees levied for nondriver identification cards, operator's licenses, and learner permits. Currently, these fees are paid for by the Department for Children and Families (DCF). DCF estimates that they spend less than \$15,000 annually on the procurement of these items. DCF also notes that the payment of these fees represents a significant administrative burden for their staff. This section would reduce T-fund revenues by \$15,000 annually, reduce spending by DCF by the same, and eliminate their administrative burden.

##### **Section 6: EV Infrastructure Fee Exemption**

Proposes to exempt vehicles owned by the State and any county or municipality in the state from the EV infrastructure fee levied under 23 V.S.A. § 361(b). It would also exempt vehicles owned by volunteer fire departments, volunteer firefighting organizations, and organizations conducting rescue operations so long as the vehicles are used solely for firefighting or rescue purposes and are plainly marked to indicate ownership. In fiscal year 2026, this change would reduce Transportation Fund revenues by approximately \$29,000. This revenue reduction will likely grow in relation to the adoption rate of EVs in State, municipal, and volunteer fleets, JFO cannot, at this time, model this adoption rate.

##### **Section 7: Veterans' Exemption**

Proposes to expand the existing registration fee exemption granted to veterans who own a vehicle that was acquired with financial assistance from the U.S. Department of Veterans Affairs to include the annual emissions fee and the EV infrastructure fee. To qualify, an individual's registration application would need to be accompanied by a copy of an approved VA Form 21-4502. The fiscal impact associated with this section is estimated to be de minimis.

**Section 8: SSI and SSDI Fee Reduction**

Proposes to provide individuals receiving Supplemental Security Income (SSI), Social Security Disability Income (SSDI), or individuals with a disability as defined in 9 V.S.A. § 4501 with discounted fees for an operator's license or privilege card. The current fee is \$39 for a two-year card or \$62 for a four-year card. Both cards have a replacement fee of \$24. This section would reduce the issuing fee to \$20, the renewal fee (every four years) to \$20, and the replacement fee to \$10.

In 2024 approximately 5.4% of Vermont residents received SSI or SSDI. Keeping all other variables consistent, the proposed fee reduction would result in a \$309,000 decrease in Transportation Fund revenue annually. This analysis assumes that all qualifying individuals utilize the proposed fee reduction, and all other variables remain consistent.

**Section 9: Replacement Motorcycle Learners' Permits**

Among other things, this section proposes to allow individuals using a MyDMV electronic account to generate a replacement learner's permit for the operation of a motorcycle at no charge. The current replacement fee, under 23 V.S.A. § 617, is \$24. The fiscal impact associated with this section is estimated to be de minimis.

**Section 12: License Examinations Waiver**

23 V.S.A. § 632 grants the Commissioner of Motor Vehicles the ability to waive the examination requirement for obtaining an operator's or junior operator's license when the applicant holds a chauffeur or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State. Section 12 would allow the Commissioner to extend the examination requirement waiver to those holding or who held within three years prior to an application a junior operator's license. This could exempt some additional individuals from the examination fee levied under 23 V.S.A. § 634. The fiscal impact associated with this section is estimated to be de minimis.

**Section 13: Examination Scheduling Fee**

Proposes to change the statute relating to the \$29 fee levied under 23 V.S.A. § 634(b) for scheduling a road test. Under current law, the Commissioner may waive the scheduling fee until the Department of Motor Vehicles (DMV) can administer the fee electronically. DMV is currently not collecting this scheduling fee. This section would require that beginning on July 1, 2026, DMV must start collecting the fee. Additionally, if the applicant appears for the scheduled road test the fee is applied towards the license examination fee. If an applicant does not appear as scheduled, unless they have given DMV at least 48 hours' notice of cancellation or show good cause for the cancellation, the scheduling fee is forfeited. DMV estimates that roughly 3,200 appointment holders chose not to attend their scheduled appointments in 2024. It is likely that once the collection of a scheduling fee has started the number of individuals choosing not to attend their appointment will decrease. Revenue generated from this fee would only come from individuals who chose not to attend their scheduled appointment while also failing to provide 48 hours' notice or show good cause for cancellation. JFO cannot estimate the exact revenue generated by this fee and can only state that this section will likely have a positive impact on Transportation Fund revenues.

**Section 43: Study Committee**

Proposes to create the Purchase and Use Motor Vehicle Tax and Inspections Study Committee to examine the assessment of purchase and use tax on motor vehicles and the inspection of motor vehicles whose onboard diagnostics malfunction indicator light is on. This committee will have 4 members, the Commissioner of the DMV and 3 individuals from select members of the public. This committee will have assistance from the Department of Motor Vehicles. Compensation and reimbursement will be provided to members of the committee for not more than four meetings. Committee members will be paid from monies appropriated to the Department of Motor Vehicles. The fiscal impact of this section is estimated to be de minimis.