

Department of Motor Vehicles Financial Overview

Presented By:

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Motor Vehicles



April 16, 2025

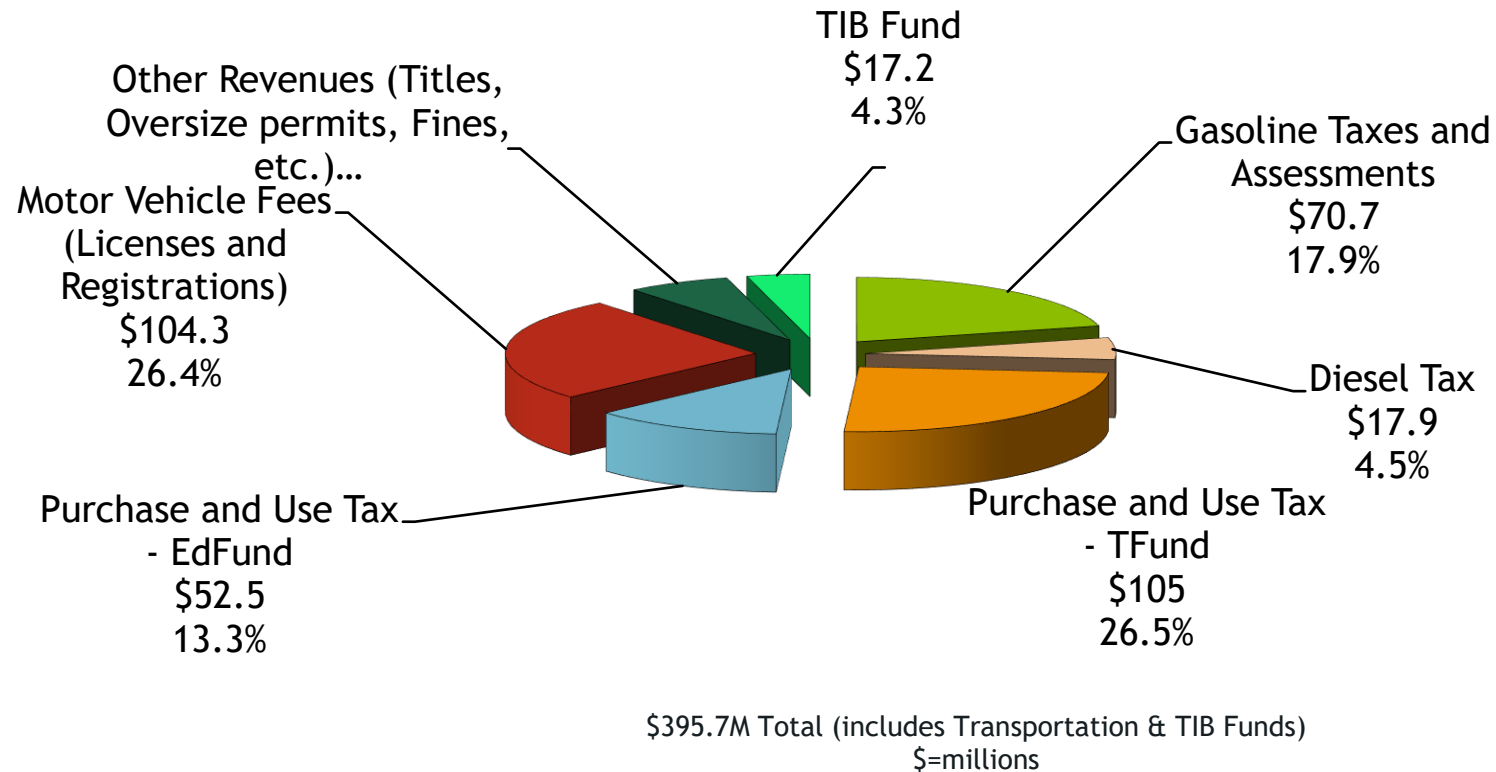


Revenue Table of Contents

- ▶ Licenses, Registrations, Purchase & Use, Inspection Stickers
- ▶ Compliance Purpose & Functions
- ▶ Compliance Challenges & Considerations
- ▶ Audit Revenue
- ▶ Motor Fuel Tax Overview & Point of Taxation
- ▶ Diesel Fuel Refunds & Fuels Used on Public Highways
- ▶ IRP/IFTA
- ▶ Contracted Services

State Transportation Fund Sources - FY26

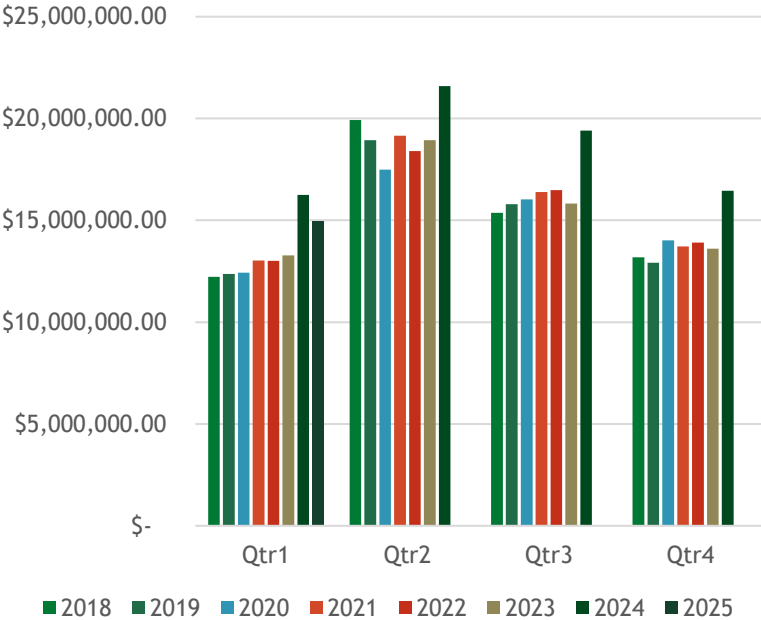
Source – January 2025 Economic Review and Revenue Forecast Update



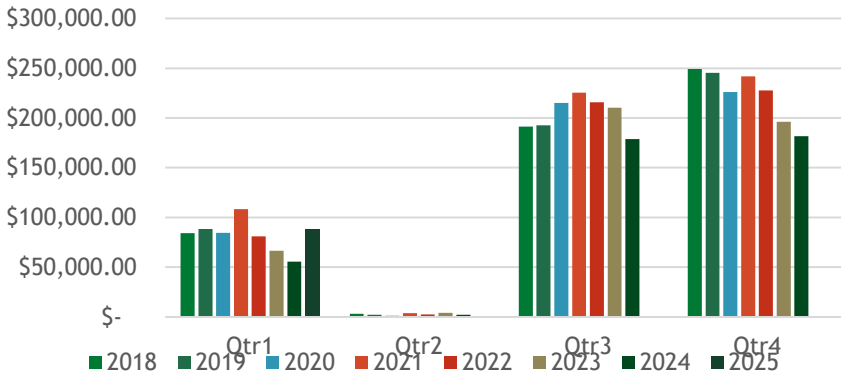
Registrations



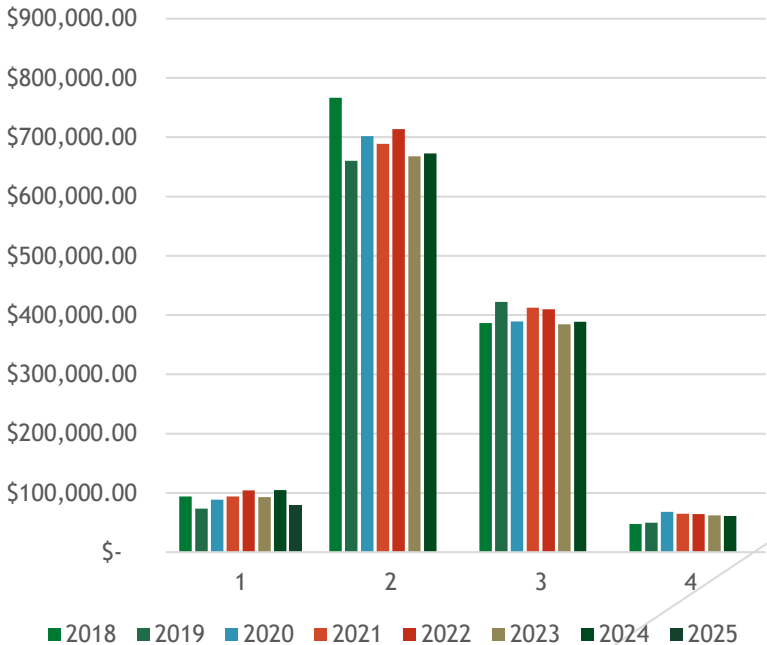
Vehicle Registrations



Snowmobile Registrations

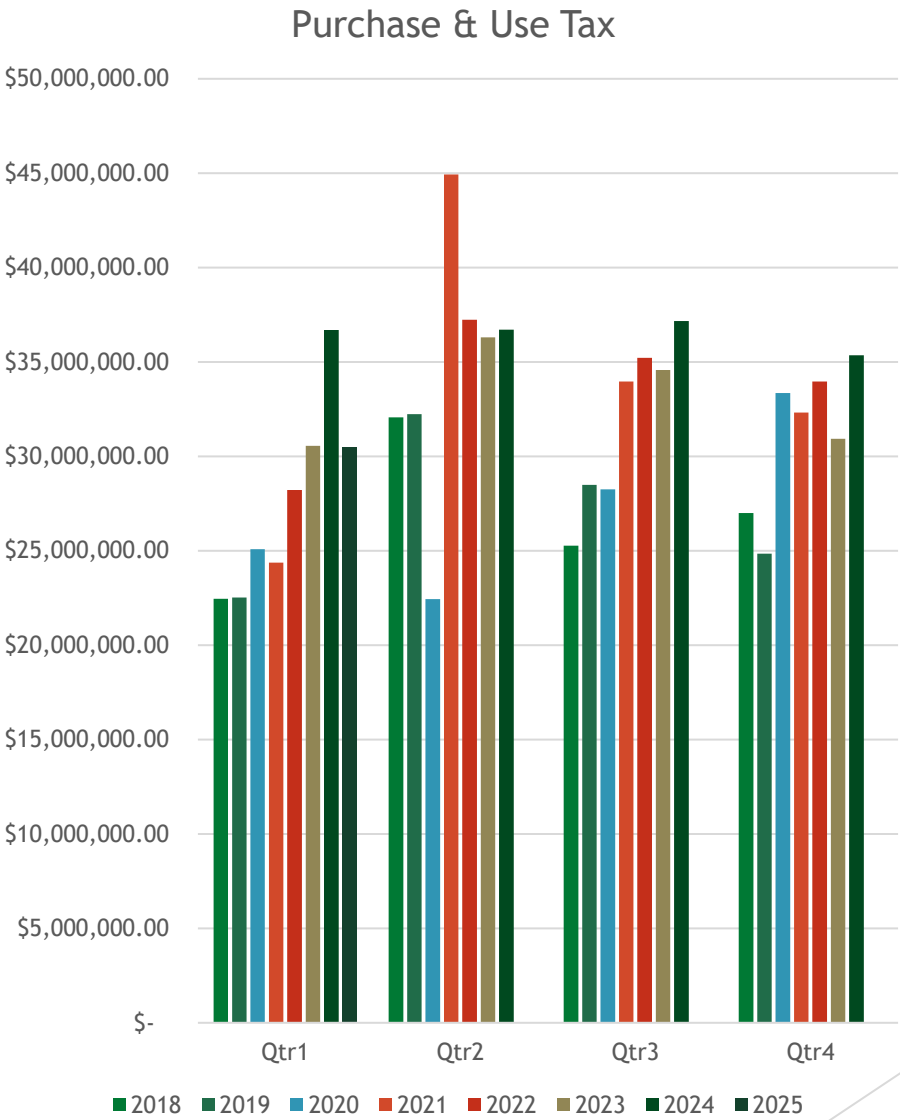


Motor Boat Registrations

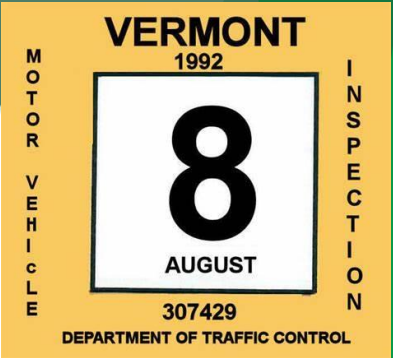


Purchase & Use Tax

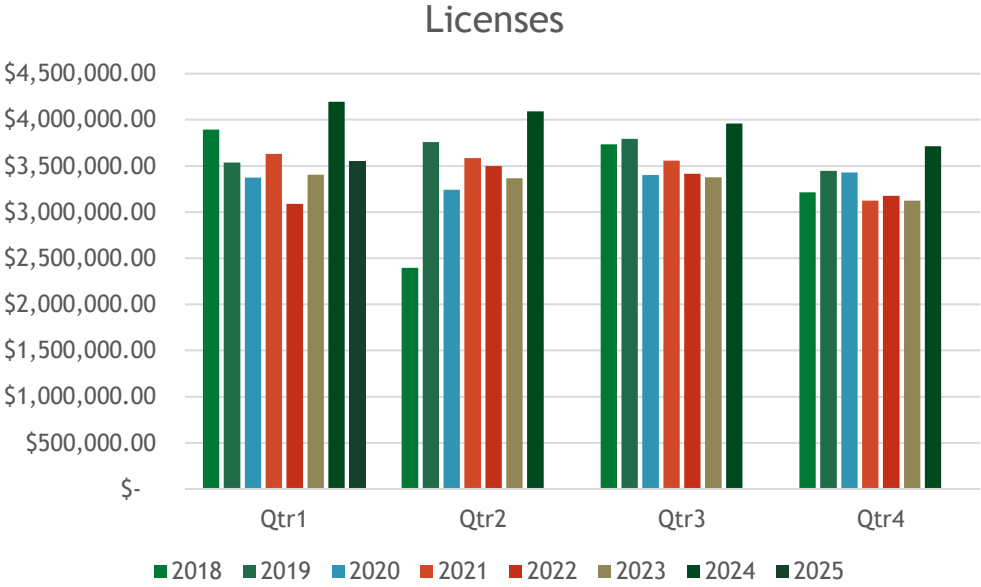
- Transportation Fund - 2/3
- Education Fund - 1/3



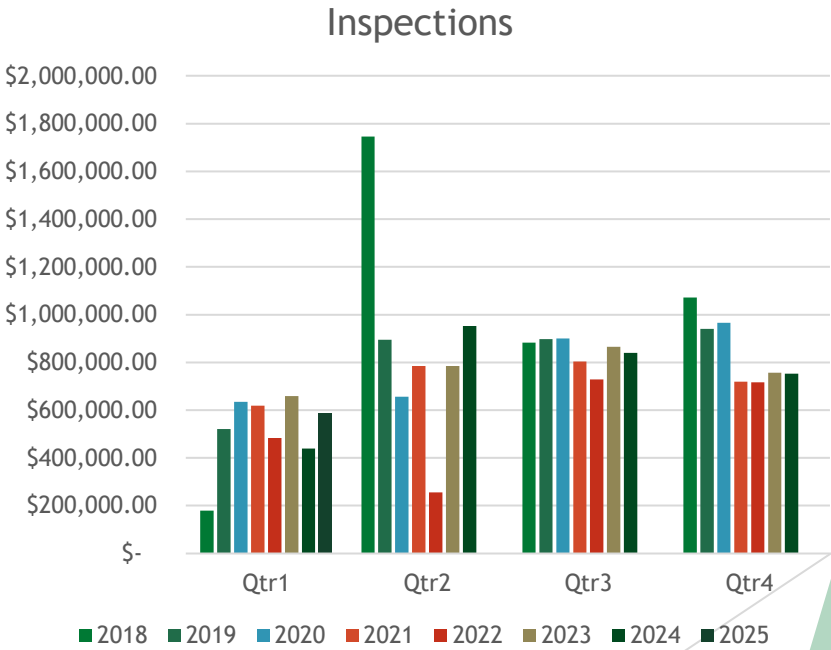
More Revenue



Licenses



Inspection Stickers



Compliance Purpose & Functions

Purpose: To ensure fair, accurate, and lawful application of motor vehicle laws and regulations through proactive monitoring, auditing, and enforcement activities .

Key Objectives:

- Protect revenue by ensuring accurate fee and tax reporting.
- Promote fair competition by holding all registrants to the same standards.
- Enhance public safety through proper registration and enforcement.
- Support transparency, accountability, and continuous improvement in DMV operations.



Compliance Challenges & Considerations

Preventing registration fraud:

- False address reporting
- Use of shell companies
- Under-reporting mileage
- Under-reporting fuel consumption
- Inconsistent data entry



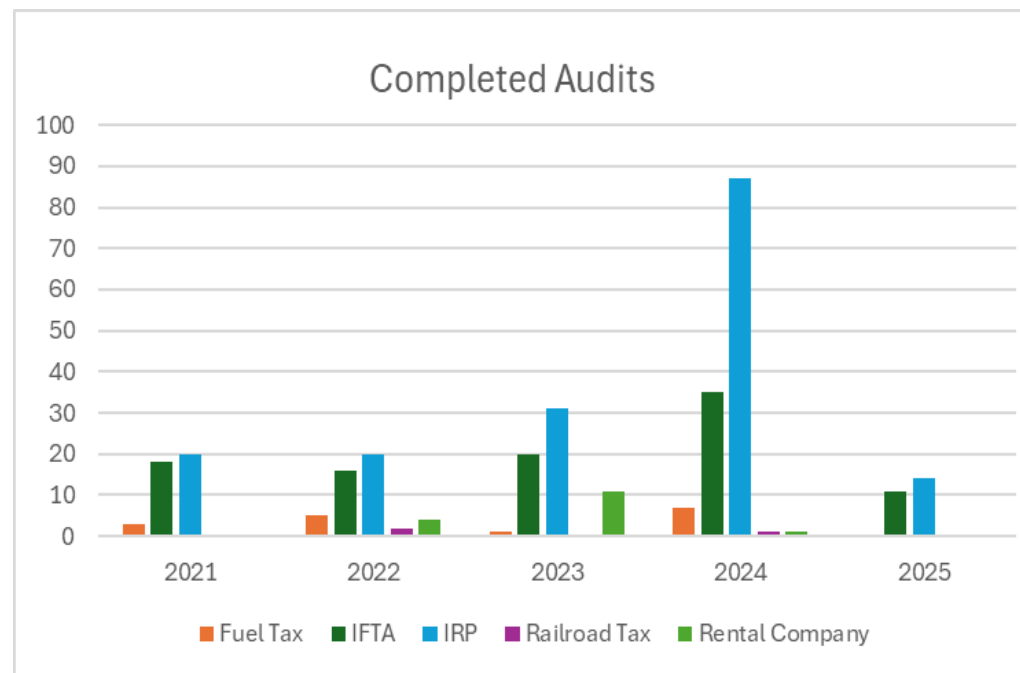
Audit Revenue

Purpose of conducting audits:

- ▶ Compliance
- ▶ Revenue

Types of Audits:

- ▶ Rail
- ▶ Rental
- ▶ IRP
- ▶ IFTA
- ▶ Motor Fuel (Gasoline/Diesel)
- ▶ Diesel Fuel Refund (DFR)



Motor Fuel Tax Overview



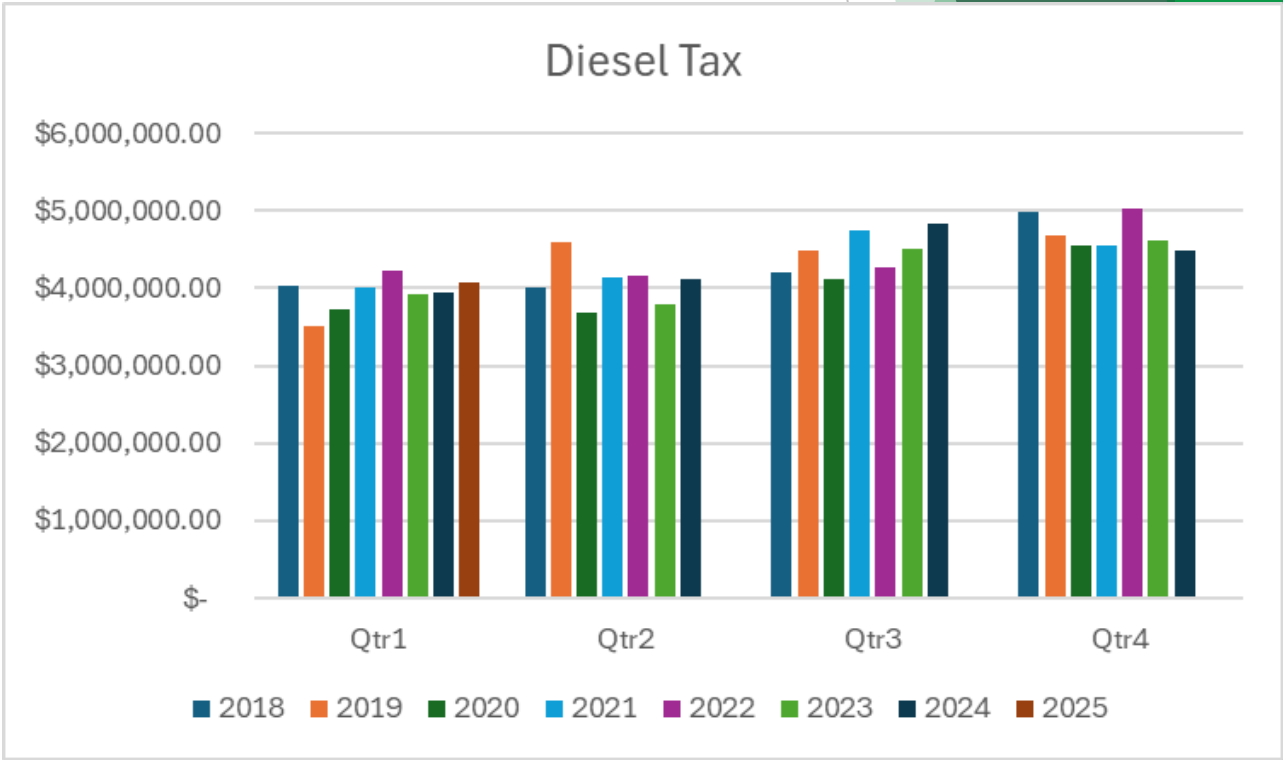
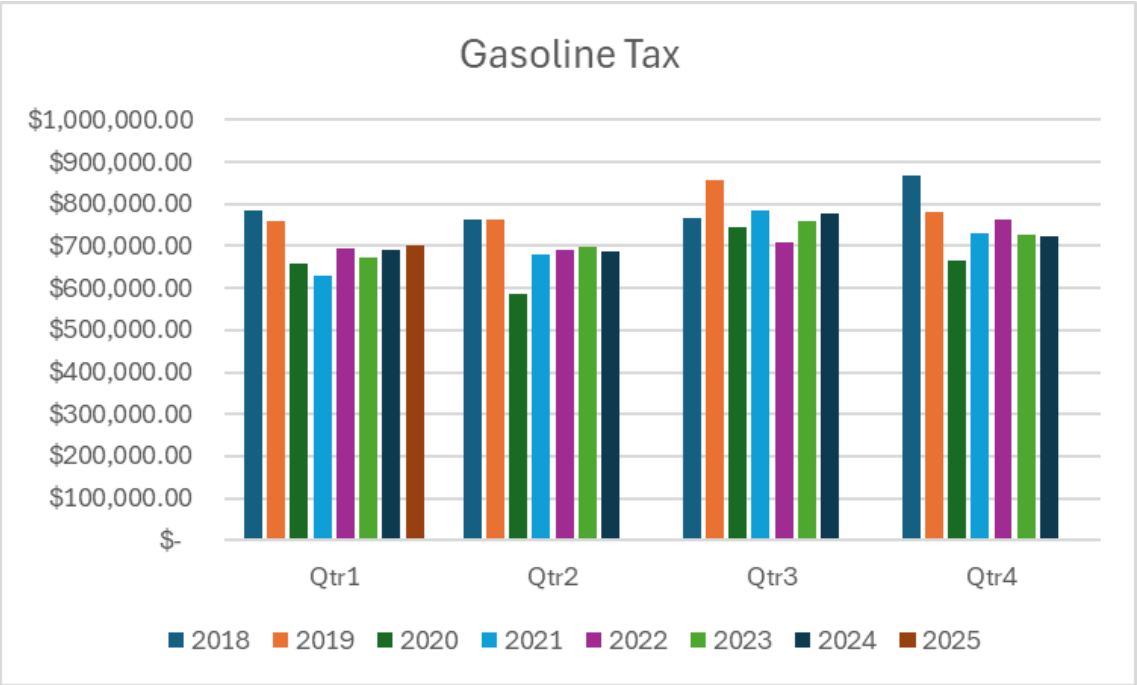
Gasoline Tax: 32.61 cents per gallon

Diesel Fuel Tax: 32.00 cents per gallon

Petroleum Distributor Licensing Fee: 1 cent per gallon is charged to petroleum distributors for the sale of heating oil, kerosene, and other dyed diesel fuels.

Transportation Infrastructure Assessment (MFTIA): 6.01 cents per gallon is applied to gasoline sales

Motor Fuel Transportation Infrastructure Assessment Fee (MFTAF): This fee is calculated as 4% of the state average retail price of gasoline, minimum collection of 13.4 cents per gallon



Motor Fuel Point of Taxation

FUEL DISTRIBUTION SYSTEM AND POINTS OF TAXATION



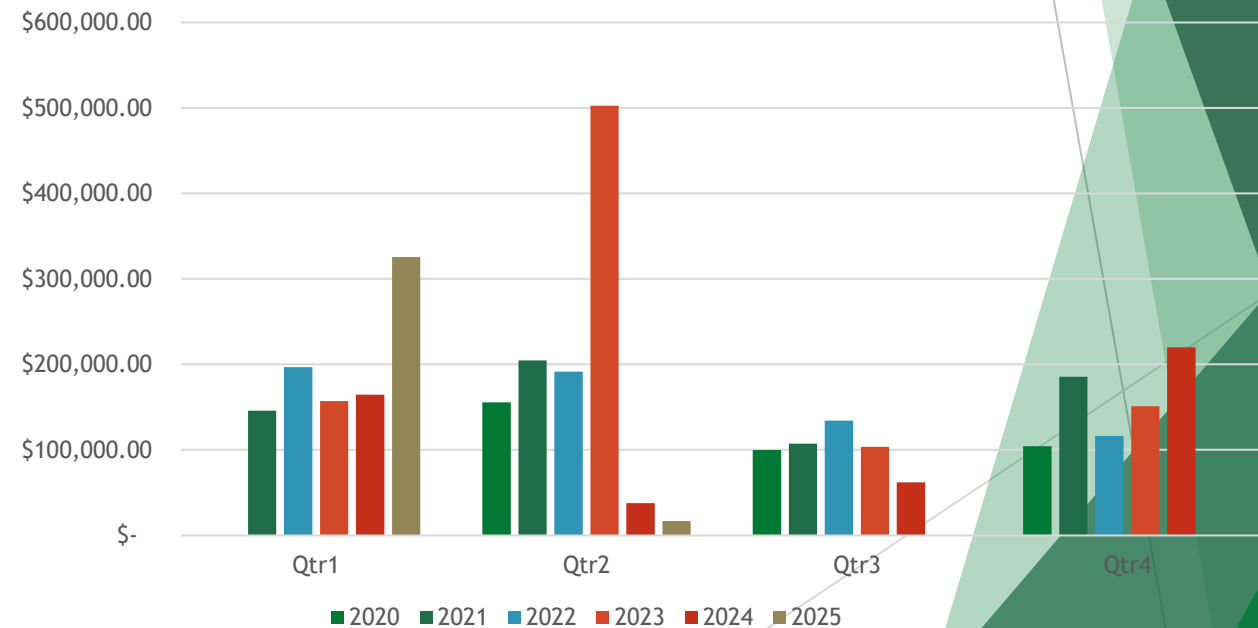
Diesel Fuel Refunds

- ▶ Verify Eligibility for Refunds
 - ▶ Confirm Accurate Fuel Usage Reporting
 - ▶ Prevent Improper or Fraudulent Claims
 - ▶ Protect Public Revenue
 - ▶ Promote Fairness and Compliance
 - ▶ Confirm the 6% sales tax paid on the non-propulsion use

DYED DIESEL FUEL
NONTAXABLE USE ONLY - PENALTY FOR TAXABLE USE
OFF HIGHWAY - NOT LEGAL MOTOR VEHICLE USE



Diesel Refund



Fuels Used On Public Highways




Taxed	Untaxed
Gasoline	Electricity
Diesel	Dyed Diesel Illegal
	Propane



What is IRP?

- ▶ IRP refers to the International Registration Plan, which is a reciprocal agreement among the U.S. States, the District of Columbia, and Canadian Provinces that allow commercial motor carriers to operate interjurisdictionally.
- ▶ IRP fees are distributed to member jurisdictions based on the distance traveled in each jurisdiction. IRP helps to streamline commercial vehicle registration and ensure each state, district, or province gets their fair share of the revenue.





How does IRP Revenue Impact Vermont?

Infrastructure Maintenance:

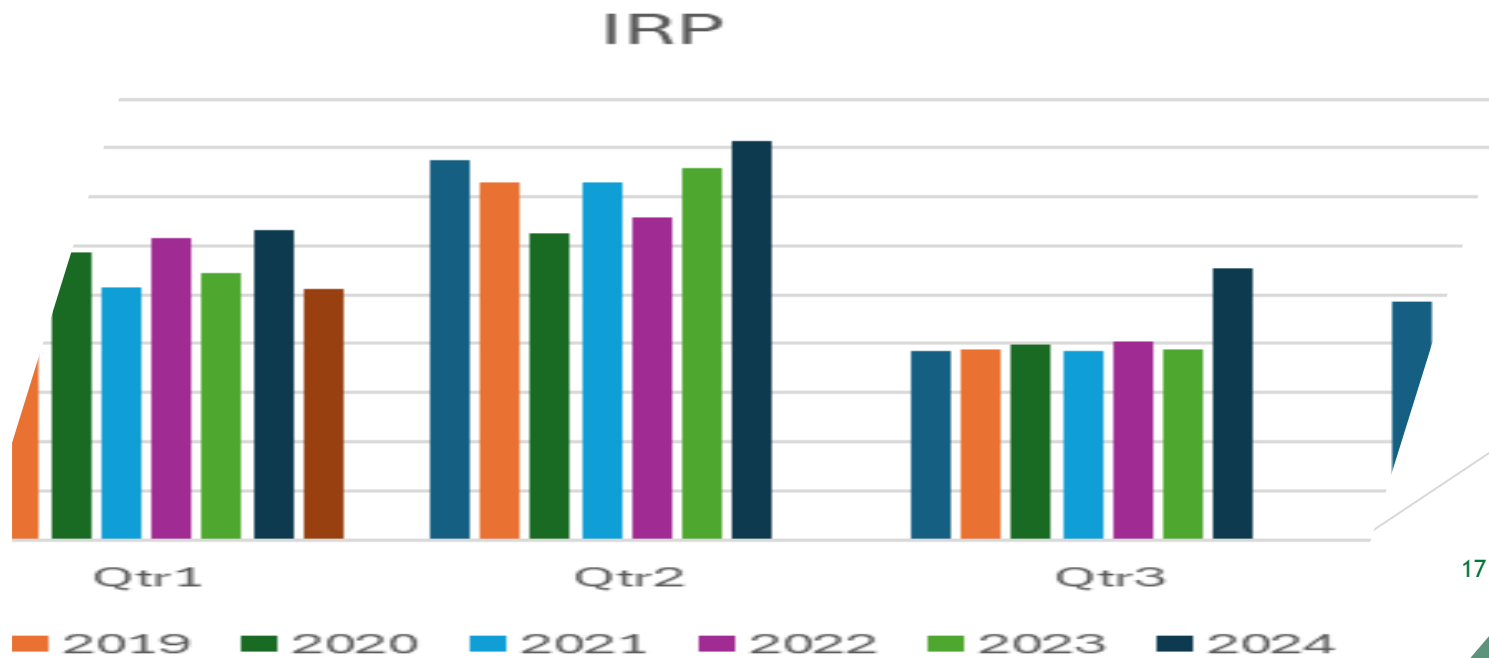
- ▶ The fees collected through IRP help fund various road maintenance and improvements.
- ▶ IRP ensures that states are reimbursed proportionally using a financial clearinghouse.

Interstate Commerce Support:

- ▶ IRP supports the flow of various goods by making it easier for trucking companies to operate across state lines. This benefits state economies by boosting trade, reducing delays, and attracting other freight businesses.

Why is IRP important to Vermont?

- ▶ Supports Interstate Commerce
- ▶ Streamlined Regulation
- ▶ Revenue Distribution





What is IFTA?

The International Fuel Tax Agreement (IFTA) is a cooperative agreement among the lower 48 U.S. states and 10 Canadian provinces that simplifies fuel tax reporting for interstate motor carriers.

It allows these carriers to file a single quarterly fuel tax return with their base jurisdiction, which then distributes the appropriate taxes to other jurisdictions based upon the distance traveled and the fuel consumed.

Why is IFTA important?

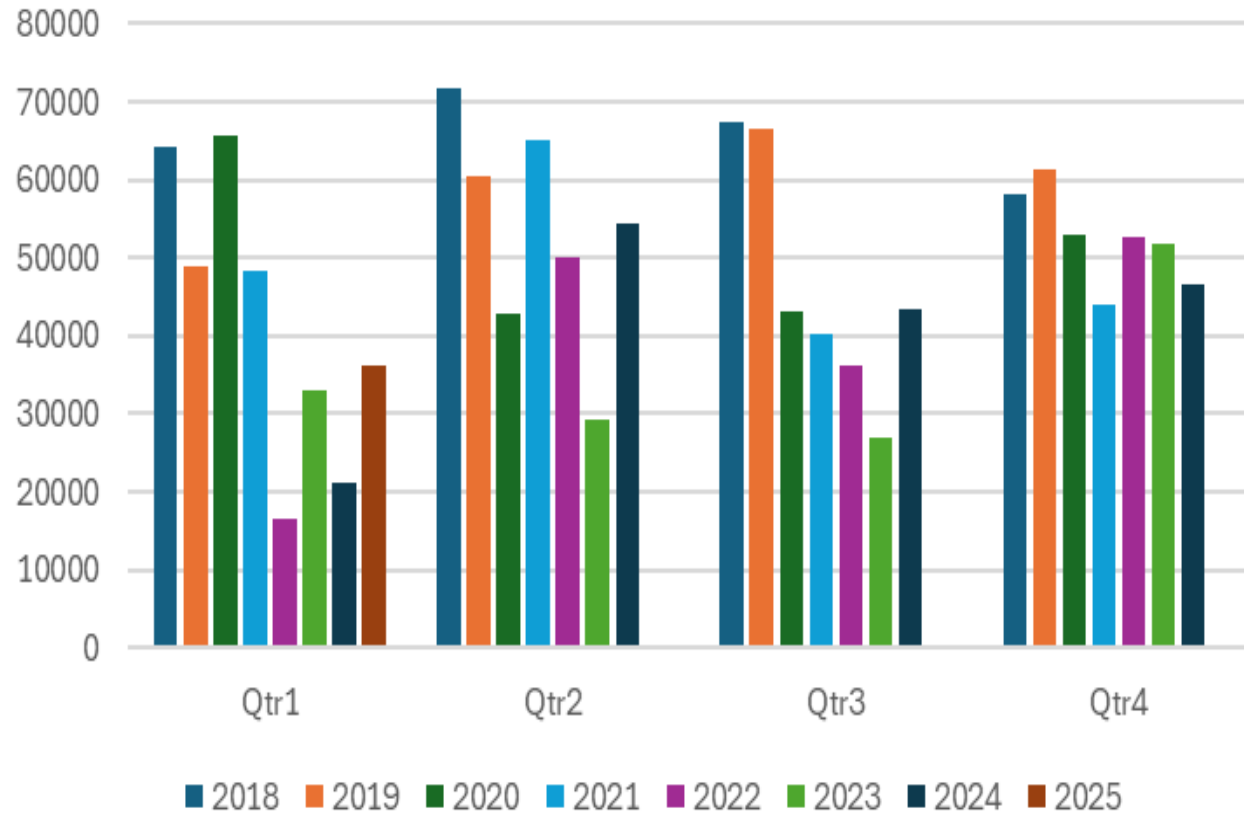
As a member of IFTA, Vermont benefits because of the following examples:

- ▶ **Simplified Tax Administration:** Vermont-based carriers operating in multiple jurisdictions can file one consolidated fuel tax return, reducing administrative burdens.
- ▶ **Revenue Allocation:** The Vermont Department of Motor Vehicles (DMV) collects fuel taxes and ensures they are appropriately distributed to other jurisdictions, while also receiving taxes from carriers based elsewhere that operate within Vermont.
- ▶ **Compliance and Enforcement:** IFTA provides a framework for auditing and compliance, helping Vermont ensure that all carriers pay their fair share of fuel taxes

Why IFTA matters:

- ▶ It prevents carriers from being taxed multiple times or incorrectly across borders.
- ▶ It helps ensure fair fuel tax distribution across jurisdictions.

IFTA



Vermont IFTA Revenue Statistics Overview



Legislative Actions & Opportunities

Actions:

- ▶ Updating definitions (e.g., 'apportioned vehicle' or 'definition of fuel')
- ▶ Supporting fraud prevention and enforcement authority

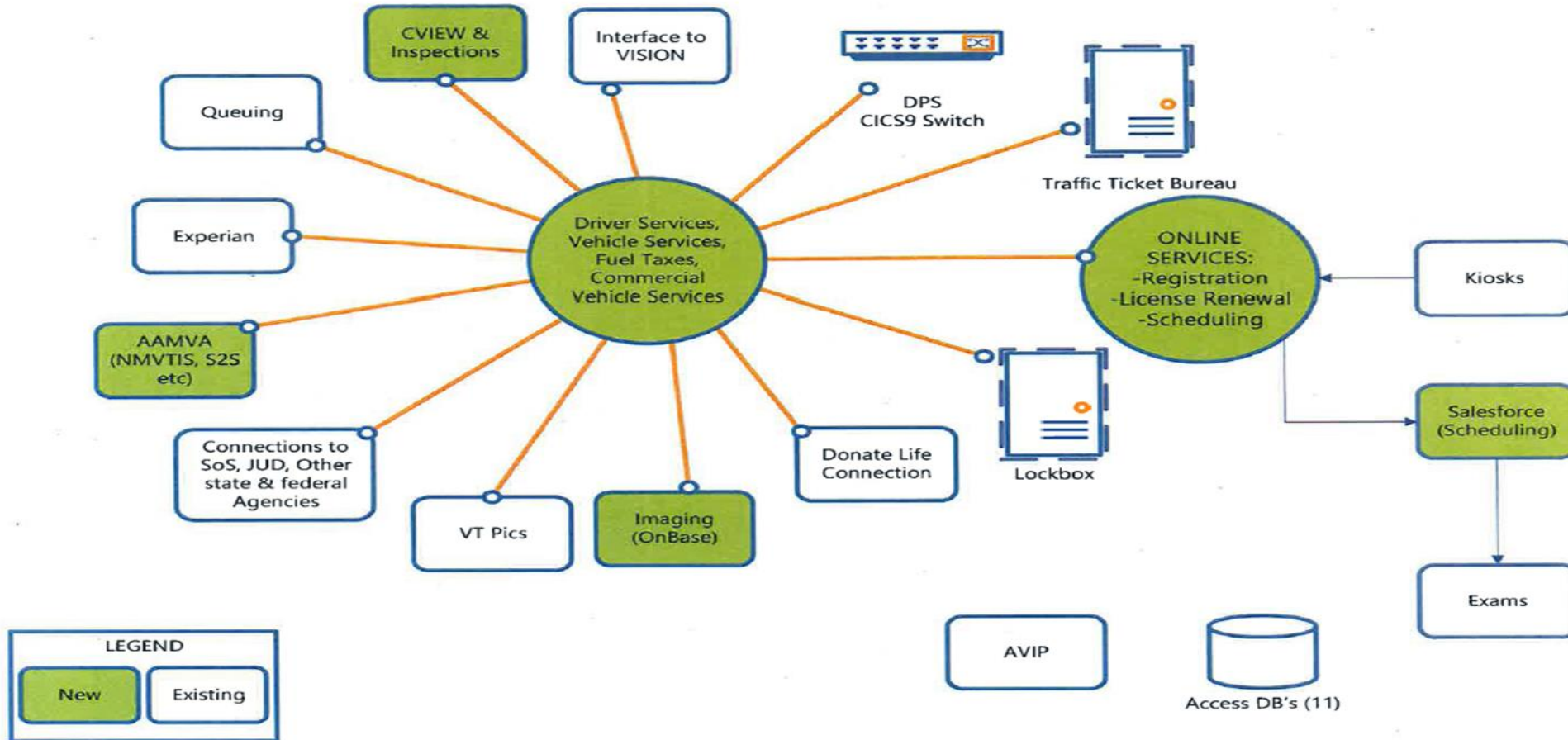
Opportunities:

- ▶ Improve compliance with streamlined laws
- ▶ Modernize vehicle registration systems
- ▶ Enhance data transparency and sharing

Contracted Services



Integrated DMV Services



Fast Enterprises




- ▶ This contract supports vehicle titling, registration and renewals; dealer licensing and regulations; plate, decal, IFTA/IRP and Motor Fuel & Car Rental taxes.
- ▶ We are currently in the implementation phase for Driver Services which includes issuance & maintenance of driver's licenses & other identification; supporting fraud detection, investigation, hearing, scheduling and management, financial responsibility and the administration and reporting of driver restrictions, conviction and other information relating to driver improvement and control. GO LIVE - November 11, 2025
- ▶ FY26 DMV Budget includes approx. \$6.5M to support M&O costs. This contract supports DMV but is managed by ADS.



ACF - Scheduler & Queuing

- ▶ This contract supports appointment scheduling at all DMV locations for in-person licensure testing and in-person counter services.
- ▶ Upon arrival of customers at DMV branches, each customer check in at the reception counter and is issued a queuing number.
- ▶ As part of the Implementation Phase for Driver Services, this functionality will be part of the system and eliminate the need for this contract which will be approx. \$150K in estimated savings. There will continue to be data charges for texts est. \$12K per year.
- ▶ FY26 Budget is \$80K. This contract supports DMV but is managed by ADS.²⁵

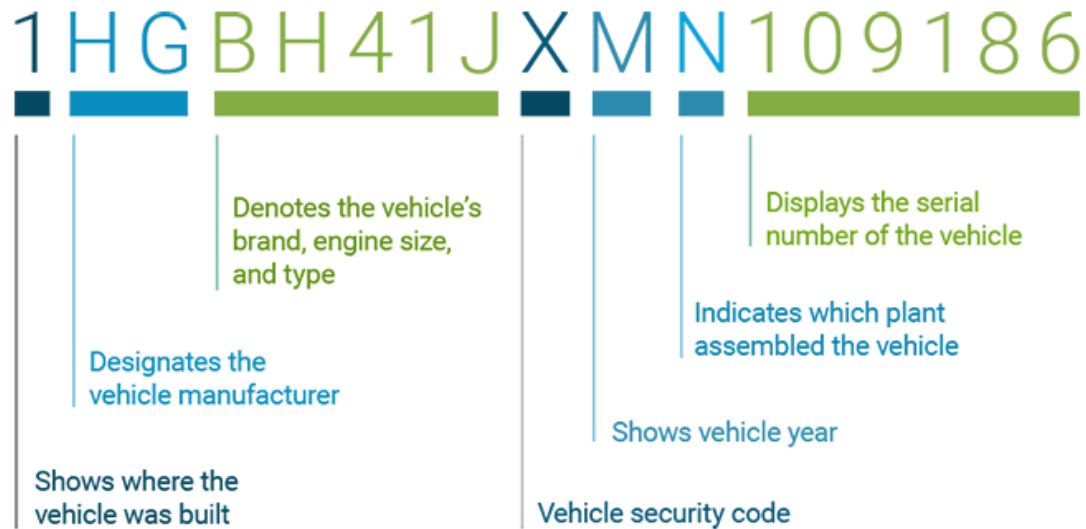


22nd Century Technologies Contract #42786

- ▶ This contract provides call center services for setting up appointments for Customers who don't have internet access.
- ▶ When COVID protocols necessitated services at DMV be scheduled with appointments only, DMV was able to leverage an existing contract held by VT Dept. of Labor which was costly at approx. \$50-80K per month for obtaining these services.
- ▶ In the summer of 2021, DMV developed an RFP for these services which resulted in reduction to \$20K per month.
- ▶ FY26 budget - \$265K. DMV manages this contract.

VINtelligence

License Agreement #48982



- ▶ This is a License Agreement established March 28, 1980. DMV sends a request for information on a vehicle's VIN and receives a response back relating to that vehicle. The VIN is comprised of 17 characters (digits and capital letters) that act as a unique identifier for the vehicle. A VIN displays the car's unique features, specifications, and manufacturer. Before 1981, VIN's varied in length from 11 to 17 characters.
- ▶ FY26 Budget for this agreement is \$35K. DMV manages this agreement.



JD Powers

Contract #45814

- ▶ This contract provides for vehicle valuation services via an API (Application Programming Interface) portal connected into VT TRIPS.
- ▶ Purchase and Use Tax (32 V.S.A Taxation and Finance) is based on J.D. Power clean trade-in book value unless the customer submits a Vermont Dealer Appraisal form if the vehicle's value is less than the J.D. Power valuation.
- ▶ The contract contains two modules for valuation which are Cars/Trucks and Power Sports (Motorcycles, ATVs), approx. 95% of potential registrations. Also, for vehicle types not included in the two modules there is access to a user portal that all other valuations can be obtained from.
- ▶ FY26 Budget is \$103K. This contract supports DMV but is managed by ADS.



Veridos Contract #45212

- ▶ This contract provides technology called VTPics for transmitting customer photos along with demographic information for production of a secure driver's license/identification card (DL/ID) services.
- ▶ DMV pays \$3.299 per DL/ID, \$5.238 per EDL, and associated postage/shipping costs.
- ▶ Phase 2 VT TRIPS DS implementation will reduce scope in this contract as only card production will be needed after GO LIVE on November 11, 2025. VTPics will be phased out as there will be cameras at each of the counters that will be integrated.



Intellectual Technology, Inc. Contract #42395

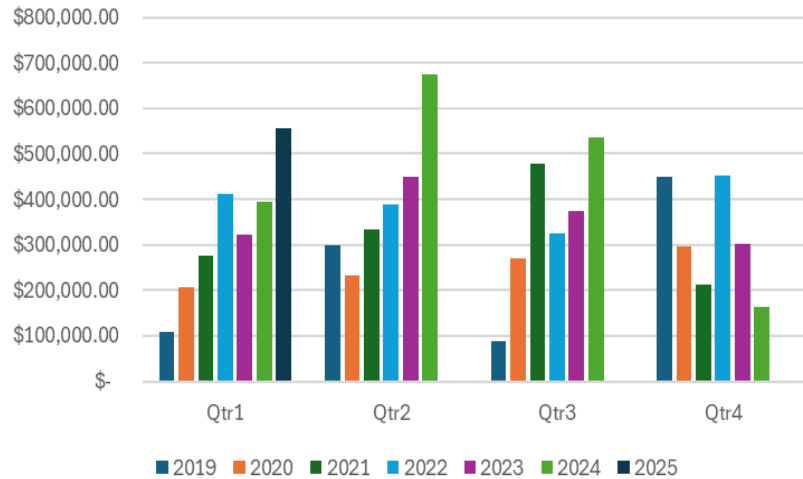
- ▶ This contract provides Automated Testing System for Drivers Licensing Software and Support via online and in-person testing for driver licensure.
- ▶ FY26 Budget - \$143K. This will provide annual software and support annual fee (\$36K), annual hosting fee (\$6.5K) and equipment refresh (\$101K).



Tyler Technologies Statement of Work

- ▶ This SOW is to support Credit Card processing services and on-line services for Driver's License renewals, Learners Permit fees, VREP fees, Driver Operator Record Fees, and Driver Education submissions.
- ▶ Credit card fee of 2.3% of transaction is included in the DMV Budget and is not paid by customer. FY26 Budget - \$1.9M.
- ▶ Transactions that have a per transaction fee are Driver's License renewals (if ACH - \$1.50), Learners Permit fees (\$2.50), VREP fees (\$9.00), Driver Operator Record Fees (\$4.00 per record paid - FY24-199K records requested), and Driver Education submissions (DMV portion \$1,625, AOE portion \$4,875).

Vermont DMV Credit Card Fees



Vital Delivery Solutions

Contract #47010

- ▶ This contract provide transportation services for monetary deposits from DMV Branches to M&T Bank daily.
- ▶ This contract includes a Crime and Fidelity Insurance requirement of \$1M. After discussion with Risk Management, this amount of additional insurance was to mitigate risk for theft, disappearance, and destruction of money, checks, and securities; forgery; and alteration.
- ▶ FY26 Budget - \$100K. This contract is managed by DMV.





Current Vermont Inspection Sticker



New Vermont Inspection Sticker



Anticipated schedule:

- Beta testing April 15-May 10
- Full network rollout to begin May 13
- All stations using new stickers July 1

Parsons Environment & Infrastructure Group Contract #31130

- ▶ This contractor provide management services for the Automated Vehicle Inspection Program (AVIP) including Stickers on Demand.
- ▶ AVIP offers instant access to required inspection procedures and rejection criteria.
- ▶ AVIP equipment is purchased from the contractor and includes the following: ruggedized tablet OBD scan tool, wireless router, and a wireless printer. Purchase price is \$1,677.73 plus applicable taxes.
- ▶ AVIP Training for the system is provided at no cost to inspection stations and Inspection Mechanics.
- ▶ FY26 Budget - \$1.39M. This contract is managed by DMV.

Vermont Dept. of Environmental Conservation MOU



- ▶ This MOU provides for implementation and administration of the State of Vermont Automotive Emissions Diagnostic and Repair Training Program.
- ▶ The Program provides Vermont Automotive Technicians with information and training classes on diagnosing and repairing the On-Board Diagnostics (OBD II) emissions-related faults. Trainings provide theory and hands-on skills in understanding OBD II, diagnosing problems detected by OBD systems and verifying repairs.
- ▶ FY26 Budget - \$60K. This MOU is managed by DMV.

Iteris

Contract #41334

- ▶ This contract provides Commercial Vehicle Information Exchange Window (CVIEW) and Commercial Vehicle Roadside Inspection Program services for our Enforcement & Safety Division.
- ▶ CVIEW interfaces with FMCSA, VT TRIPS, etc. to transmit information relating to commercial vehicles.
- ▶ FY26 Budget - \$109K. This contract is managed by DMV.





Other Contracts

- ▶ BGS held Interpreters & Translation Services - FY26 Budget - \$100K. Interpreter service is dependent on customers who may need this accommodation as needed. Translations of DMV manuals and forms are available and updated as manuals & forms are updated or if the top 10 languages change as defined in statute.
- ▶ Custodial Contracts for WRJ and Dummerston managed by DMV and Colchester CDL managed by AOT - FY26 - \$30K.
- ▶ FY26 Budget for Education & Training or Marketing - \$75K.



Questions & Discussion

- Open floor for questions and further discussion

