



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

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S.326 – An act relating to miscellaneous amendments to laws relating to motor vehicles

As recommended by the Senate Committee on Transportation, Draft 4.1¹ⁱ

Bill Summary

This year's annual miscellaneous motor vehicle bill contains numerous amendments and technical corrections to Vermont's motor vehicles statute.

Fiscal Impact

The Joint Fiscal Office (JFO) estimates that this bill will increase expenses incurred by the Department of Motor Vehicles (DMV) by approximately \$32,000 per year and increase Purchase and Use tax revenues by approximately \$1 million. This revenue would be allocated 2/3 to the Transportation Fund and 1/3 to the Education Fund.

Background and Details

The following sections have a fiscal impact.

Section 1-5: Identification for Detained and Sentenced Individuals

Under current law, Vermont offers free nondriver IDs to eligible individuals who are sentenced to serve a period of imprisonment of six months or more. These sections would expand the types of identification those individuals can receive for free to include replacement operator's licenses and replacement learner's permits. These sections would also expand exemption eligibility to include individuals who are detained for six months or more in a correctional facility.

Per the Department of Corrections (DOC), in 2025, 465 free nondriver IDs were provided to sentenced individuals. Between 2022 and 2025, there were an average of 46 individuals per year who were detained for a period of six months or longer. Under current law, nondriver IDs have an application fee of \$29; replacement operator's licenses and replacement learner's permits have an application fee of \$24.

There could be revenue loss from these eligible individuals no longer paying the above-mentioned fee. Given the fact that a large portion of eligible individuals already receive nondriver IDs for free and the small number of new applicable individuals, JFO estimates that these sections will have a de minimis fiscal impact.

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

Section 8: Smugglers' Notch Penalties

This section would increase the civil penalty issued for violation of the vehicle operation prohibition set forth under 23 V.S.A. § 1006b. The penalty is increased from \$1,000 to \$10,000 in all instances of violations and from \$2,000 to 20,000 if the violation substantially impedes the flow of traffic. JFO cannot estimate potential revenue generated from increased civil penalties.

Section 15: Fees for Towing

This section would increase the amount a towing service may charge for towing an abandoned motor vehicle from public property from \$125 to \$250. In fiscal year 2025, DMV paid for 256 vehicles to be towed. Assuming a consistent rate in future years, this section is estimated to increase DMV expenses by roughly \$32,000 per year.

Section 18: Motor Vehicle Purchase and Use Tax (PUT)

This section proposes to make the following changes to the Purchase and Use Tax (PUT) statute:

1. Adds language that specifically states that trailers are subject to PUT. This is clarifying language that aligns statute with practice. There is no fiscal impact associated with this change.
2. Trailers are specifically stated as being a vehicle that is subject to the PUT maximum tax cap of \$2,486. Under current law, certain vehicles pay PUT equivalent to 6% of the taxable cost of the motor vehicle, up to a maximum of \$2,486. This is clarifying language and aligns with current practice. There is no fiscal impact associated with this change.
3. Trailer coaches are specified as no longer being subject to the PUT maximum tax cap of \$2,486. Trailer coaches will now be required to pay the full 6% tax on the value of the vehicle. This will increase the amount of PUT revenue generated. The exact fiscal impact of this change is currently unknown due to data limitations at DMV.
4. Changes the vehicle weight metric and increases the weight threshold used to determine if a truck is subject to the PUT maximum tax cap of \$2,486. Currently, trucks weighing up to 10,099 pounds pay the full 6% PUT, and trucks weighing more than that pay the 6% PUT up to a maximum of \$2,486. This language would change this so that trucks with a Gross Vehicle Weight Rating (GVWR) up to 13,500 pounds would pay the full 6% PUT and trucks over that weight would pay PUT up to the maximum of \$2,486. This language would increase the number of vehicles that are required to pay the full 6% PUT and increase the amount of PUT revenue generated by roughly \$1 million. This revenue would be allocated 2/3 to the Transportation Fund and 1/3 to the Education Fund.

Section 19: Unregistered snowmobile penalties

This section would increase the civil penalty for the operation of an unregistered snowmobile from \$135 per violation to \$450 for a first offense and \$500 for a second or subsequent offense within a three-year period. JFO cannot estimate potential revenue generated from increased civil penalties.

Section 21: Nondomiciled commercial driver's license

This section would establish a \$40 yearly fee for a nondomiciled commercial driver's license (CDL). In 2025, 16 nondomiciled CDLs were issued. Given the small number of applicable instances, this section is estimated to have a de minimis fiscal impact.

Section 28: Limited-Use Specialty Vehicles

This section would establish a \$26 annual registration fee for limited-use specialty vehicles. The Commissioner Motor Vehicles would be allowed to issue a maximum of 20 of these registrations per year. Due to this limitation, the estimated fiscal impact of this section is de minimis.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.