

Preliminary Estimates of the Fiscal Impacts Associated with DR 25-0613 Draft 4.1 – An act relating to miscellaneous changes to laws related to motor vehicles.

Fiscal Impact

Nine sections of the bill carry a fiscal impact. In total it will reduce Transportation Fund revenues by approximately \$790,000 per year.

Section 5: Replacement Registration Certificates

Proposes to allow individuals using an electronic account to generate a replacement registration certificate for no charge. Currently, under 23 V.S.A. § 307 (b), when there is a loss, mutilation, or destruction of a registration certificate an individual must pay a \$20 fee to the Commissioner of Motor Vehicles in exchange for a duplicate certificate. This section proposes to waive that fee if the individual generates a replacement certificate using their MyDMV electronic account. In 2024, roughly 17,500 replacement registrations were processed¹. Assuming a consistent utilization rate this would reduce Transportation Fund revenues by \$350,000 annually. This estimation represents a scenario in which all individuals utilize the proposed fee exemption. While it is likely that some individuals will continue to request replacement registration certificates in person and therefore continue to pay the \$20 fee, the Joint Fiscal Office (JFO) is unable to model individual utilization patterns or other potential changes to utilization trends that might be associated with this section.

Section 6: EV Infrastructure Fee Exemption

Proposes to exempt vehicles owned by the State or any 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 \$10, the renewal fee (every four years) to \$10, and the replacement fee to \$5.

¹ This number likely represents both replacement registrations and corrected registrations. Corrected registrations would still be subject to the \$20 correction fee levied under 23 V.S.A. § 307 (c). DMV is unable to determine what portion of the 17,500 is from replacement registrations and what is from corrected registrations. As such, this analysis assumes that all individuals got replacement registrations. In actuality, it is likely that only a portion did.

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 \$395,000 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

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 Elimination

Proposes to eliminate the \$29 fee levied under 23 V.S.A. § 634(b) for scheduling a road test. 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 the Department of Motor Vehicles (DMV) at least 48 hours' notice of cancellation, the scheduling fee is forfeited. The Commissioner may waive the scheduling fee until the DMV is capable of administering the fee electronically. At this time DMV is not collecting a scheduling fee for road tests. As such, the fiscal impact associated with this section is \$0. It is worth noting that DMV estimates that roughly 4,000 appointment holders choose not to attend their scheduled appointments annually. If DMV were to start collecting this fee, estimated revenue generation from forfeited fees would be roughly \$116,000 annually.

Section 31: Foster Care Exemptions

Proposes to exempt individuals in foster care 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 fees represents a significant administrative burden for their staff. This section would shift the associated costs of these fees from DCF to the DMV. As such this would reduce T-fund revenues by \$15,000 annually, reduce spending by DCF by the same and eliminate their administrative burden.

Section 41: Study Committee

Proposes to create the Used Motor Vehicle Tax and Inspections Study Committee to examine the assessment of purchase and use tax on used motor vehicles and the inspection of motor vehicles whose onboard diagnostics malfunction indicator light is on. This committee will have 7 members, 2 from each body of the General Assembly and 3 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. Legislative members of the committee will be paid using monies appropriated to the general assembly and other committee members will be paid from monies appropriated to the Department of Motor Vehicles. The fiscal impact of this section is estimated to be \$5500.