

## **Potential Fiscal Impacts of STC's Proposed Amendment to S.326 2/27/2026**

### **Fiscal Impact**

This proposal of amendment is estimated to increase expenses incurred by the Department of Motor Vehicles (DMV) by approximately \$32,000 per year and have a de minimis impact on state revenues.

### **Section 1-5: Identification for Detained and Sentenced Individuals**

Under current law, Vermont offers free nondriver identification cards (IDs) to eligible individuals who are sentenced to serve a period of imprisonment of six months or more. These sections propose expanding 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 who is eligible for these exemptions to include individuals who are detained for six months or more in a correctional facility. These sections make numerous other non-fiscal changes.

Per the Department of Corrections, in 2025, 465 non-driver IDs were provided to sentenced individuals, and 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 are \$24, and replacement learner's permits are \$24.

The potential fiscal impact of these sections is due to the revenue loss from these eligible individuals no longer paying the above-mentioned fee associated with the IDs. Given the fact that a large portion of eligible individuals are already receive nondriver IDs for free and the small number of new applicable individuals, JFO estimates that these sections will have a de minimis impact of state revenues.

### **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 does not estimate potential revenue generated from 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. This increase would effectively double the amount of money that the state pays in towing fees. In FY2025, the Department of Motor Vehicles paid for the towing of 256 vehicles. Assuming a consistent rate in future years, this section is estimated to increase DMV expenses by roughly \$32,000 per year.

### **Section 17: 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 does not estimate potential revenue generated from civil penalties.

**Section 19: Nondomiciled commercial driver's license**

This section would establish a \$40 yearly fee for a nondomiciled commercial driver's license (CDL). In 2025, there were 16 nondomiciled CDL issued. Given the small number of applicable instances, JFO estimates that this section will have a de minimis impact on state revenues.

**Section 26: Limited-Use Specialty Vehicles**

This section establishes a \$26 annual registration fee for limited-use specialty vehicles. The commissioner is limited in issuing registrations for these vehicles to a maximum of 12 per year. Due to this limitation, the estimated fiscal impact of this section is de minimis.