

Revenue Estimating Conference
Highway Safety Licenses and Fees
Executive Summary
July 28, 2022

In the aggregate, collections from Highway Safety Licenses and Fees (HSMV) for FY 2021-22 came in 2.8% above estimate. The new forecast was revised upward relative to the previous forecast adopted January 4, 2022.

The revised estimates reflect the actual collections by category for the 2021-22 fiscal year, as well as adjustments made for changes enacted during the 2022 Session that have now been embedded in the old and new forecasts. These legislative changes include:

1. The ID Cards category was decreased as a result of fee exemptions granted to: (1) individuals above the age of 80 who fail the vision test required for a driver license, and (2) registered voters who claim financial hardship.
2. The Titles category was decreased as a result of a fee exemption granted when transferring a title from a deceased spouse's name to the surviving spouse.

By category, the positive changes to the forecast exceeded the smaller downward adjustments in FY 2022-23 by \$56.8 million or 2.1%. The positive adjustments in the outer years continue to outweigh the negative ones, with a \$43.0 million or 1.6% increase to FY 2023-24, a \$32.4 million or 1.2% increase to FY 2024-25, a \$28.9 million or 1.0% increase to FY 2025-26, and a \$23.6 million or 0.8% increase to FY 2026-27. The 2027-28 fiscal year is new to the forecast horizon, added for the first time during this conference.

Nine of the revenue categories were increased for each year of the forecast, with the largest increase over the first two years occurring in the Titles category. This change amounted to \$12.5 million in FY 2022-23 and \$15.2 million FY 2023-24. Other categories whose estimates were increased include Red Light Cameras, Miscellaneous Fees, DL Tests, Reinstatements, Initial Registration Fees, Truck/Tractors, For Hire, and HSMV Plates. The Biennial Adjustment, which is calculated based on the adopted estimates for the four base tag categories, also increased in every year of the forecast. DUI, Other Vehicles, Private Vehicles, Vessel Registrations, IRP, Surcharges, and Motor Vehicle License Fees were reduced throughout the forecast period. The forecast for Transcripts, Commercial Driver Licenses, Private Driver Licenses, ID Cards, and Suspensions had forecast revisions that were mixed between increases, decreases and no changes.

Cumulatively, the revised estimates by category resulted in higher projections relative to the prior forecast for all three major benefiting funds: the General Revenue Fund, the Highway Safety Operating Trust Fund and the State Transportation Trust Fund. The final revisions by fund are shown below:

- General Revenue (including other adjustments)
 - FY 2022-23: \$9.7 million (2.8% increase)
 - FY 2023-24: \$13.8 million (4.2% increase)

- Highway Safety Operating Trust Fund
 - FY 2022-23: \$13.9 million (2.7% increase)
 - FY 2023-24: \$11.2 million (2.2% increase)

- State Transportation Trust Fund (including other adjustments)
 - FY 2022-23: \$29.1 million (2.0% increase)
 - FY 2023-24: \$15.7 million (1.1% increase)