

Revenue Estimating Conference
Highway Safety Licenses and Fees
Executive Summary
January 03, 2024

Adopted January 03, 2024, the new forecast for Highway Safety Licenses and Fees (HSMV) was revised upward relative to the previous forecast adopted July 31, 2023. By variable, the positive changes to the forecast exceeded the smaller downward adjustments in FY 2023-24 by \$42.1 million, producing a 1.5% upward adjustment to the forecast that mostly annualized the changes seen year-to-date. The positive adjustments in the outer years continue to outweigh the negative ones, with a \$32.7 million increase to FY 2024-25, a \$17.5 million increase to FY 2025-26, a \$21.1 million increase to FY 2026-27, a \$27.5 million increase to FY 2027-28, and a \$31.6 million increase to FY 2028-29.

Nine of the revenue categories were increased for each year of the forecast, with the largest increases over the first two years occurring in the Private Vehicles and Truck/Tractors categories. These combined changes amounted to \$18.0 million in FY 2023-24 and \$14.2 million FY 2024-25. Other categories whose estimates were increased include Traffic Cameras, DL Tests, Transcripts, Private Driver Licenses, Reinstatements, DUI, and HSMV Plates. The Biennial Adjustment falls out from the categories that are specifically adopted and was also increased in every year that it was estimated. In contrast, Commercial Driver Licenses and For Hire were reduced throughout the forecast period. The estimate was not revised for Suspensions, Other Vehicles, and Vessel Registrations. The forecast for Miscellaneous Fees, ID Cards, Titles, Initial Registrations, IRP, Motor Vehicle License Fees, and Surcharges had 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
 - FY 2023-24: \$5.6 million (1.6% increase)
 - FY 2024-25: \$0.1 million (less than 0.1% increase)
- Highway Safety Operating Trust Fund
 - FY 2023-24: \$10.1 million (1.8% increase)
 - FY 2024-25: \$10.4 million (1.9% increase)
- State Transportation Trust Fund
 - FY 2023-24: \$24.7 million (1.6% increase)
 - FY 2024-25: \$20.0 million (1.3% increase)