



Highway & General Fund Revenues FY16 – FY22 Actuals / FY23 – FY25 Projections

Senate Ways and Means

Thursday, April 20, 2023

Department of Safety - Overview

The vision of the Department of Safety

- To make New Hampshire the safest state in the Nation with the highest quality of life for all.

The mission of the Department of Safety

- To continually enhance the safety, security and quality of life in New Hampshire through professional, collaborative, and innovative service to all.

Department of Safety – Organizational Structure

Office of the Commissioner

Division of Administration

Division of Motor Vehicles

Division of State Police

Division of Homeland Security and Emergency Management

Division of Emergency Services and Communications

Division of Fire Standards and Training and EMS

Division of Fire Safety

Department of Safety - Revenue Summary

Significant Highway Fund Revenue Sources – \$258M Unrestricted Gross

- The Division of Motor Vehicles and the Division of Administration serve as the primary collection points for Highway Fund Revenues.
 - Road Toll
 - Motor Vehicle Registrations
 - Motor Vehicle Operators (Driver Licenses)
 - Motor Vehicle Certificates of Title
 - Motor Vehicle Inspections
 - Misc. Motor Vehicle Revenues

Significant General Fund Revenue Sources - \$9M

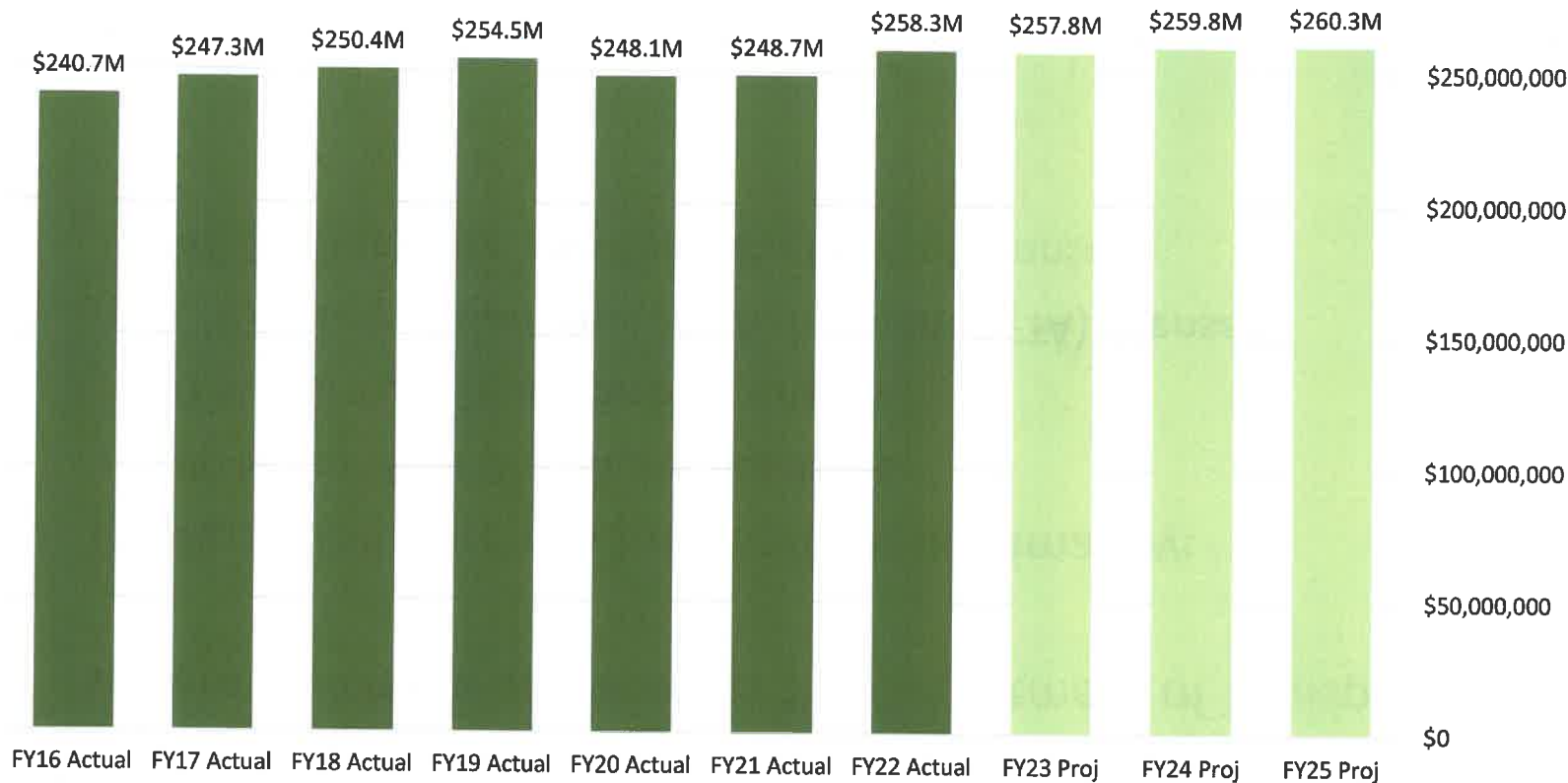
- The Division of Motor Vehicles, Division of Administration, Division of Fire Safety, and Division of State Police serve as the primary collection points for General Fund Revenues.
 - Initial Plate Fee
 - Penalty Assessment
 - Pistol Permits
 - Misc. Other Sources

Highway Fund Revenues

FY16 – FY22 Actuals / FY23 – FY25 Projections



Highway Fund Revenue – Unrestricted Gross



Analysis

- FY22 - Collected \$258.3 million in Highway Fund revenue which was \$7.4M (3%) more than plan (\$250.9M).
- FY23 - Projecting to collect \$257.8 million in Highway Fund revenue which is \$4.3M (2%) more than plan (\$253.5M).
- Highway Fund collections have increased by an annual average of 1.2% between FY16-FY22. These increases have not kept pace with related expenditures creating a structural deficit.
- The House approved FY24/25 budget includes a \$10M transfer of General Funds into the Highway Fund. Similar transfers occurred in FY22 totaling \$50M and in FY20 totaling \$6.4M.

Revenue Source

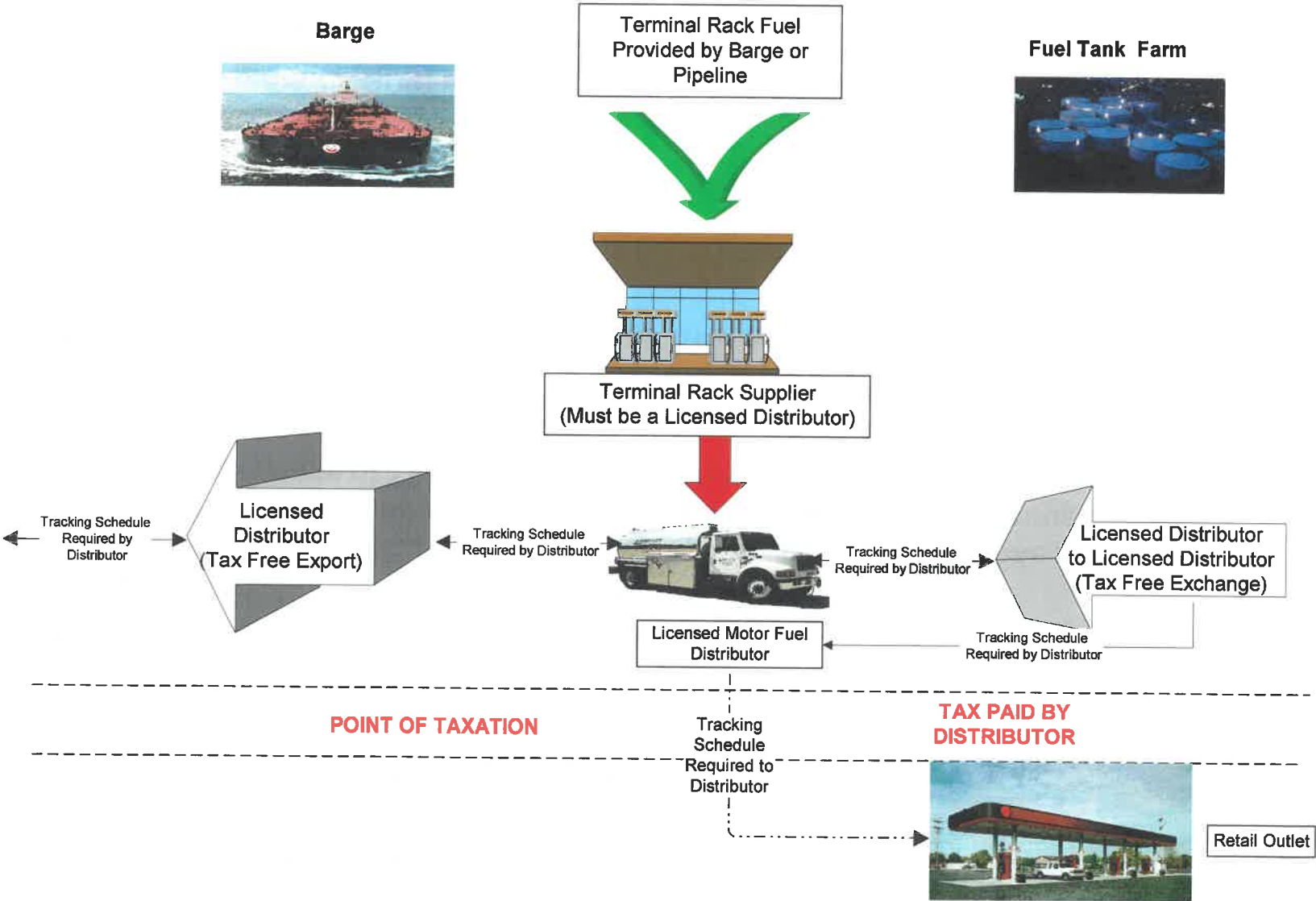
- Highway Fund Revenues are derived from Motor Vehicle related fees including Road Toll, Licenses, Registrations, and Violations.
- Total Highway Fund revenues remain relatively flat leading to a structural deficit within the Highway Fund due to regular increases in the costs associated with road maintenance, traffic enforcement, and the cost of revenue collection.

Road Toll – Operations

- The Road Toll Bureau is statutorily responsible for collecting motor fuel tolls (aka the “gas tax”) and enforcing compliance with the Motor Vehicle Road Toll Law through its Field Audit Bureau.
- The Road Toll law is not related to the Toll Booths on the Turnpike System which are operated by the Department of Transportation.
- The Road Toll Bureau administers approximately:
 - 180 Motor Fuel Distributor licensees
 - 70 Motor Fuel Transporter licensees
 - 1,787 International Fuel Tax Agreement (IFTA) licensees
 - 246 Oil Discharge and Pollution Control licensees

Road Toll – Point of Taxation

Distributor Tax - Motor Fuel



Factors Impacting Estimates – Road Toll

- Price
 - After reaching a high of \$4.996/gallon on 6/13/22, gas prices have declined and stabilized.
 - According to AAA, the average price per gallon in NH as of 4/18/23 is \$3.676/gallon. This is up \$0.407 from last year's average of \$3.269/gallon.
 - US Energy Information Administration (EIA) forecasts motor gasoline prices to peak between \$3.50/gal and \$3.60/gal in June and average \$3.50/gal through the summer. Projected average of \$3.42/gal in 2023 and \$3.18/gal in 2024.
 - EIA expects crude oil prices to average \$85/b in 2023 and fall to \$81/b in 2024.
- Weather
 - Dry summers and snowy winters help to drive tourism in New Hampshire and result in increased fuel consumption.
 - Lack of snow, and warm temperatures place downward pressure on fuel consumption in the winter.
- Economy
 - The U.S. Department of Commerce, Bureau of Economic Analysis (BEA) real gross domestic product (GDP) increased at an annual rate of 2.6% in the fourth quarter of 2022. In the third quarter of 2022, real GDP increased at a rate of 3.2%.
 - The U.S. Bureau of Labor Statistics reported on 4/12/23 that the Consumer Price Index (CPI) for all items rose 5.0% over the 12 months ending March 2023. This was the smallest increase since the period ending May 2021.

Unrestricted Road Toll Revenue



Analysis

- FY22 - Collected \$124.0 million in revenues which was \$2.5M (2.0%) more than plan (\$121.5M).
- FY23 - Projecting to collect \$124.3 million in revenues which is \$2.5M (2.0%) more than plan (\$121.8M).
- FY24/25 projections assume a 0.5% increase in both FY24 and FY25 due to downward pressure on consumption.

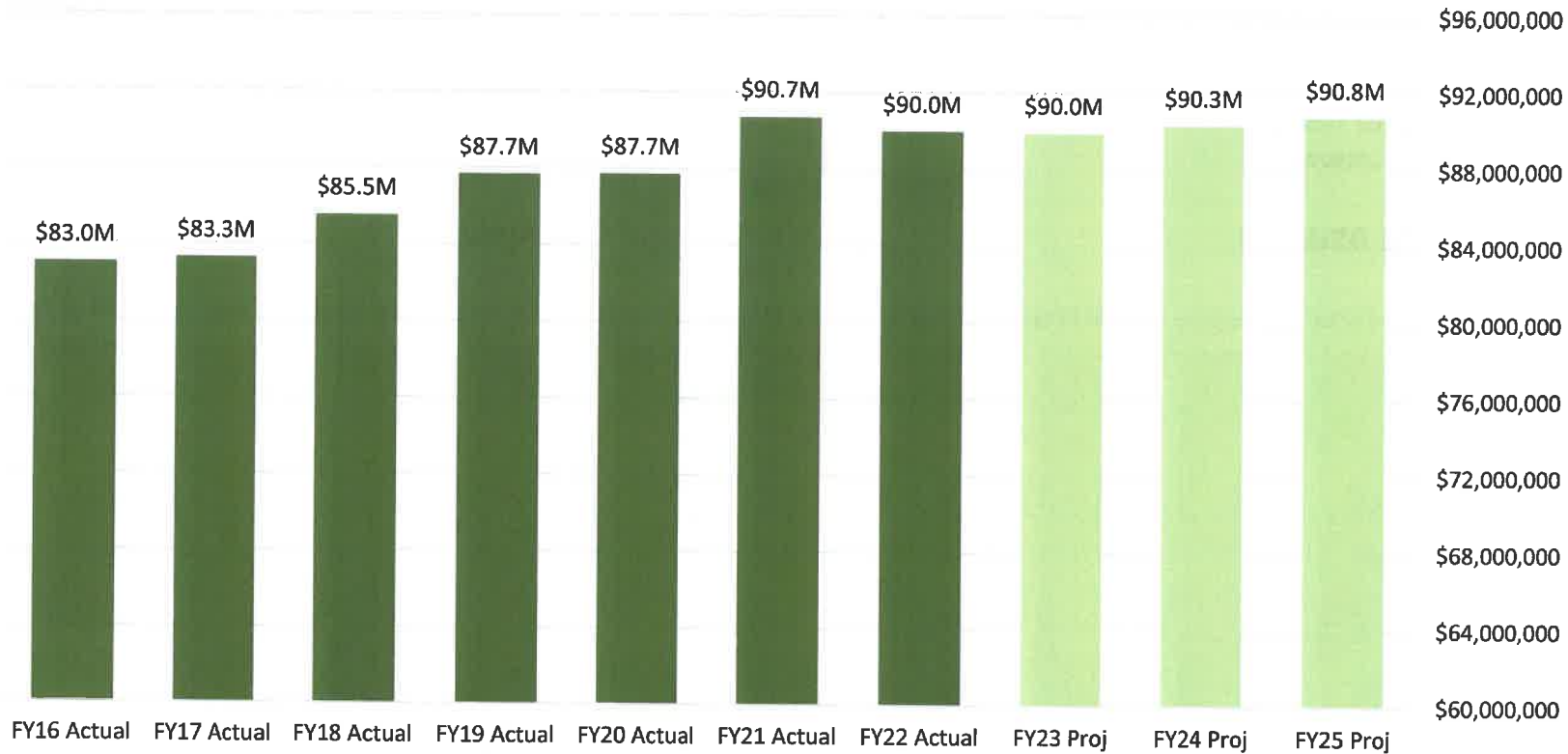
Road Toll Fees

Per Gallon Fee \$0.222

Factors Impacting Estimates – DMV Fees

- Geography
 - NH is a predominantly rural State
 - Minimal public transportation options
 - Vehicle use required to obtain goods & services
 - Driver licenses required to operate vehicles
 - Personal vehicle demand is inelastic to price.
- Economy
 - Vehicle sales have been impacted due to lack of inventory as a result of supply chain shortages.
 - Inventory levels are beginning to replenish which should lead to increased automobile sales over the next 6 months.
 - Pent-up demand for vehicles combined with inelastic demand will offset downward pressure of increased prices.
 - Positive impact on Registrations, Title, and Inspection revenues.

Motor Vehicle Registration Revenue



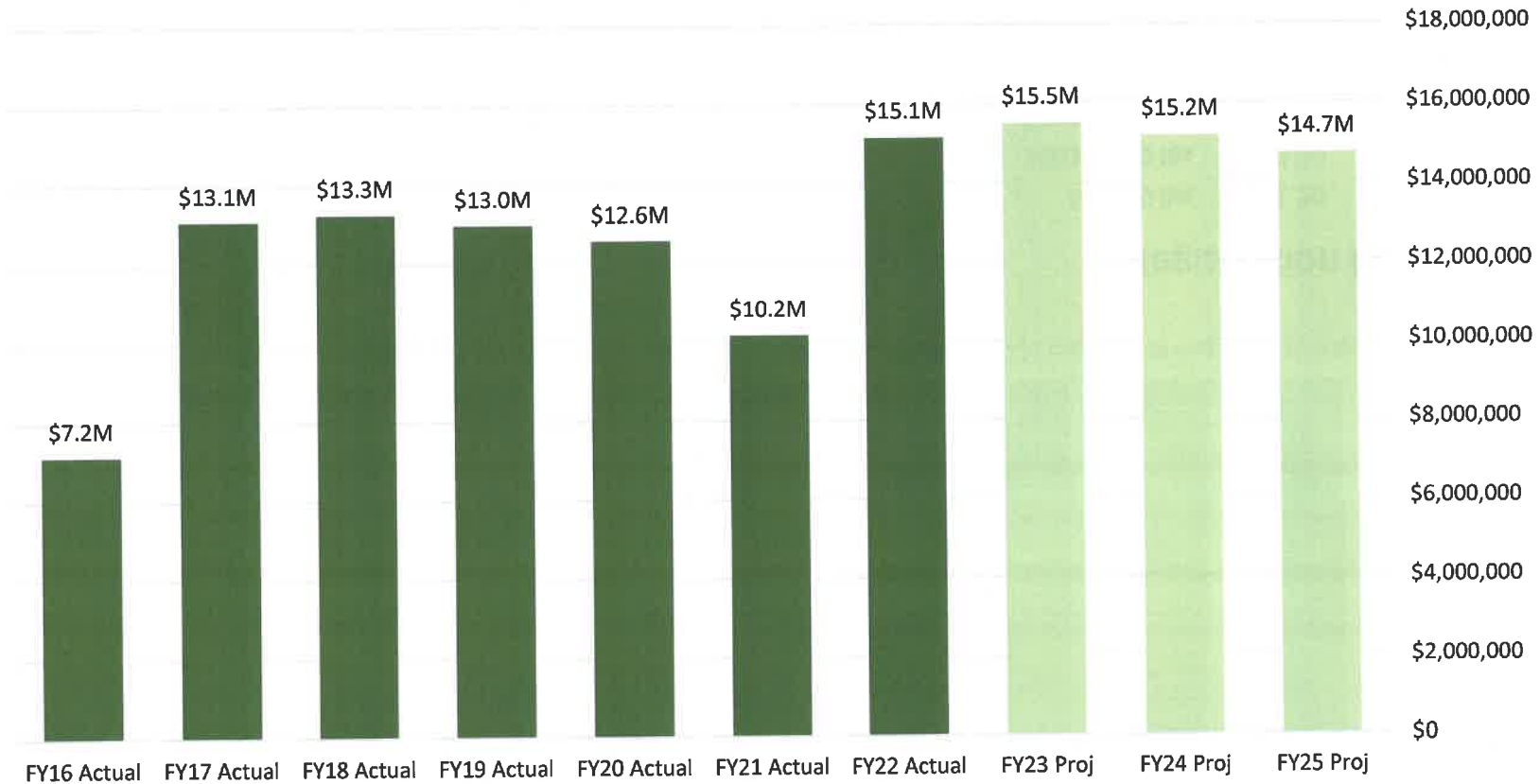
Analysis

- FY22 - Collected \$90.0 million in revenue, which was \$1.8M (2.0%) more than plan (\$88.2M).
- FY23 - Projecting to collect \$90.0 million in revenue which is \$1.7M (2%) more than plan (\$88.3M).
- Registration revenues are projected to increase by about 0.5% to \$90.3M in FY24, and \$90.8M FY25.

Registration Fees

0-3000 lbs	\$31.20
3001-1500 lbs	\$43.20
5001-8000 lbs	\$55.20
8001-73,280 lbs	\$.96 per hundred lbs
73,281-99,000lbs	1) \$.96 per hundred lbs PLUS 2) \$1.44 per hundred lbs in excess of 73,280 lbs

Motor Vehicle Operators Revenue



Analysis

- FY22 - Collected \$15.1 million in revenue which was \$2.8M (22%) more than plan (\$12.3M).
- FY23 - Projecting to collect \$15.5 million in revenue which is \$2.5M (19%) more than plan (\$13.0M).
- A revenue “dip year” occurs every 5 years due to the change from a 4 year license to a 5 year license. Assuming current trends, the dip year impacts should be resolved after 2035.
- Effective May 7, 2025, a REAL ID driver license will be required for domestic flight or to enter a secure federal facility.

License Fees

Operator	\$50
REAL ID	\$60
Commercial	\$60
Motorcycle	\$30
Non-Driver ID	\$10

Motor Vehicle Title Revenue



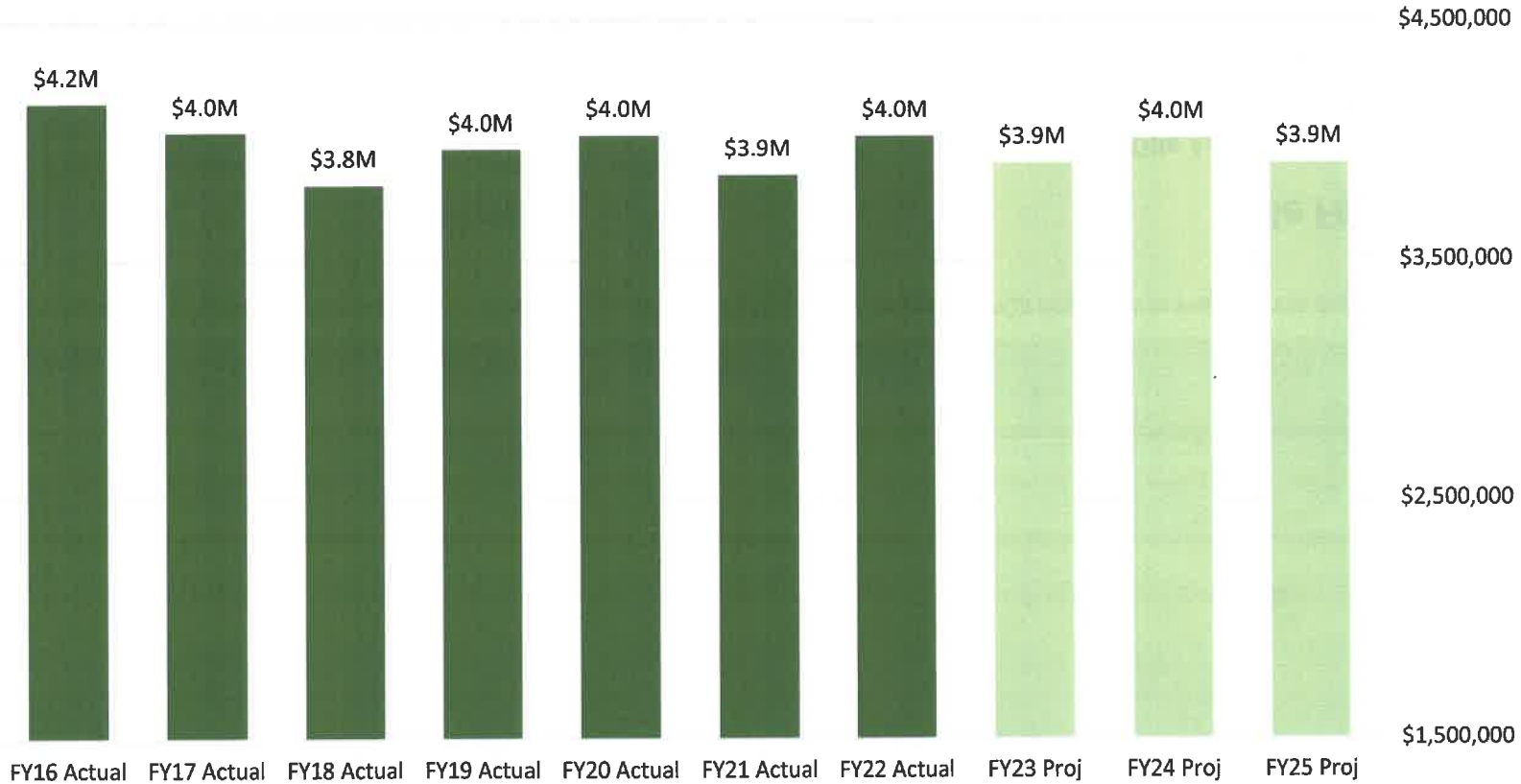
Analysis

- FY22 - Collected \$9.6 million in revenue which was \$200K (2%) less than plan (\$9.8M).
- FY23 - Projecting to collect \$9.1 million in revenue which is \$600K (6%) less than plan (\$9.8M).
- FY24 and FY25 projections assume a 6% increase in revenues as supply chain issues and downward economic pressures resolve.

Title Fees

Title Application Fee	\$25
Title Search	\$20
Salvage Title Application Fee	\$10

Motor Vehicle Inspection Revenue



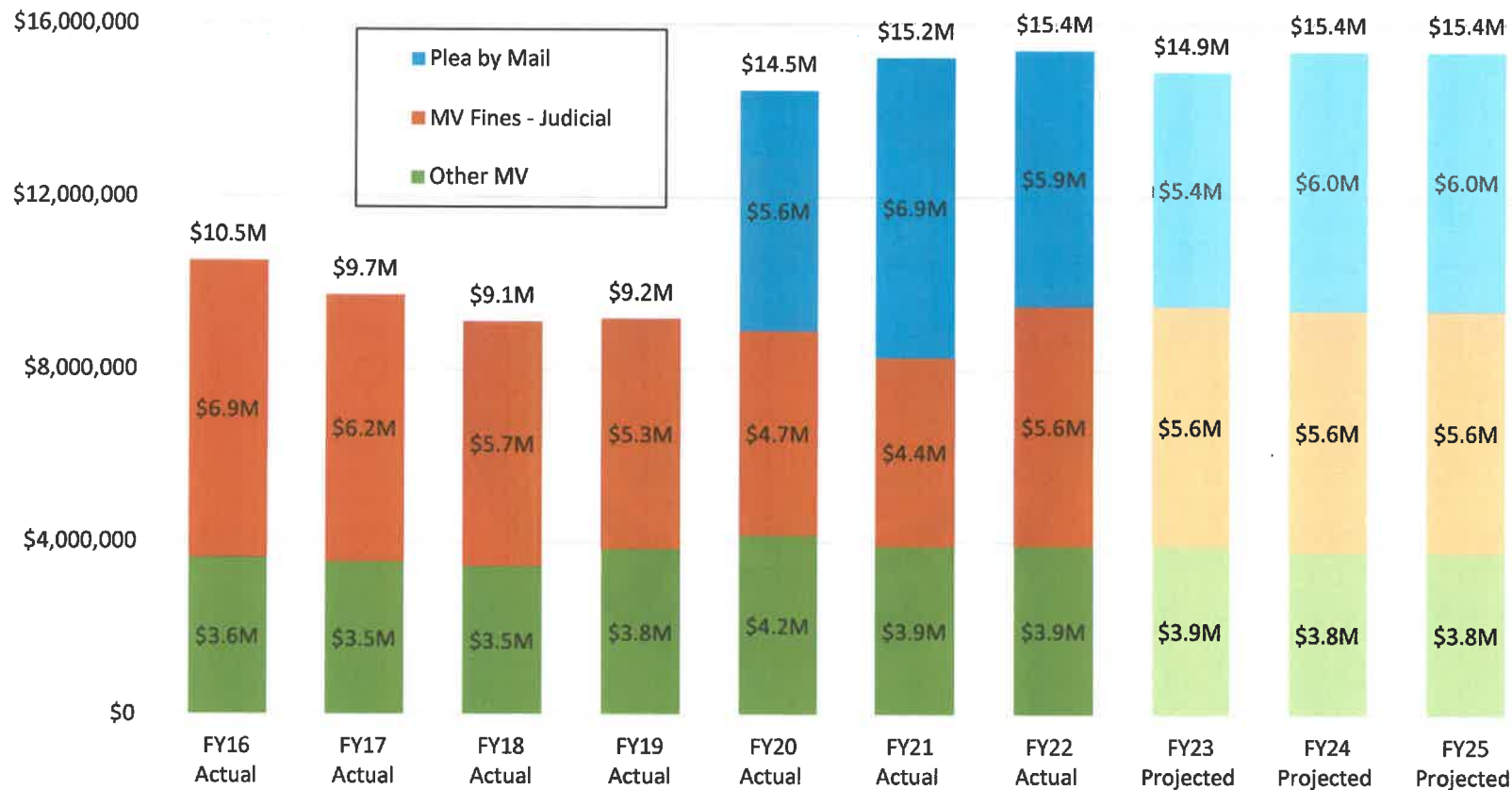
Analysis

- FY 22 - Collected \$4.0 million in revenue which was in-line with plan (\$4.0M).
- FY23 - Projecting to collect \$3.9 million in revenue which is in-line with plan (\$3.9M).
- Inspections stations fees are projected to remain consistent in FY24 and FY25.

Inspection Fees

Inspection Sticker Fee \$3.25
 2-Year Station Fee \$50-\$200

Motor Vehicle Miscellaneous Fees



Analysis

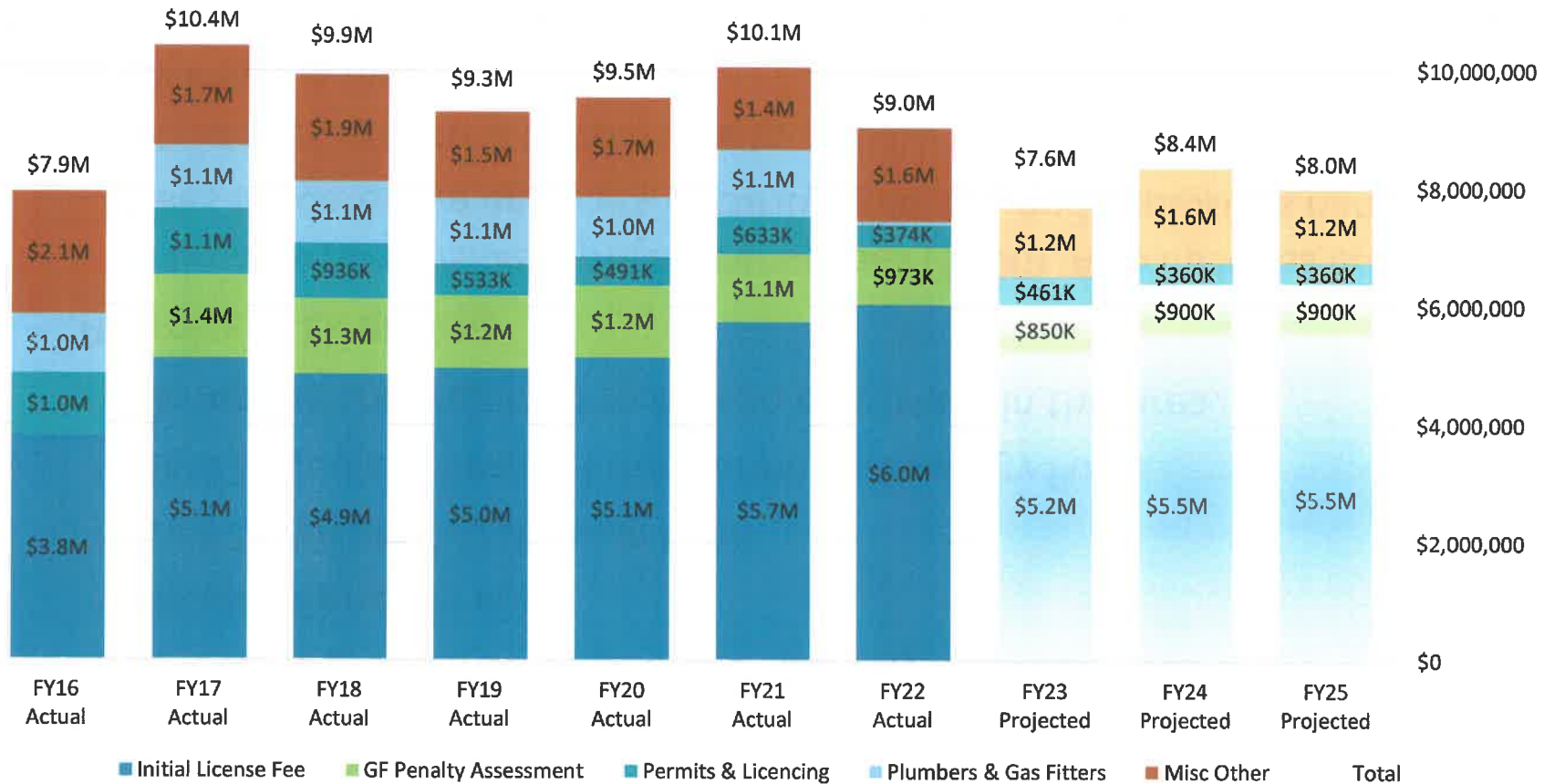
- Plea by Mail (PBM) – Added to the Highway Fund in FY20. In FY22 collected \$5.9M which was \$1.7M (22%) less than plan (\$7.6M). In FY23 projecting to collect \$5.4M which is \$2.2M (29%) less than plan (\$7.6M). FY24 & FY25 projections assume a 2% increase over FY23 estimates to \$6.0M.
- MV Fines Judicial (Courts) – In FY22 collected \$5.6M which was \$600K (12%) more than plan (\$5.0M). In FY23 projecting to collect \$5.6M which is \$600K (12%) more than plan (\$5.0M). FY24 & FY25 projections assume similar collection rates.
- Other MV Fees – In FY22 collected \$3.9M which is \$400K (11%) more than plan (\$3.5M). In FY23 projecting to collect \$3.9M which is in-line with plan (\$3.9M). FY24 and FY25 projections assume similar collection amounts.

General Fund Revenues

FY16 – FY22 Actuals / FY23– FY25 Projections



General Fund Revenue



Analysis

- FY22 - Collected \$9.0 million in revenues which was \$300K (3%) more than plan (\$8.6M).
- FY23 - Projecting to collect \$7.6 million in revenues which is \$200K (3%) less than plan (\$7.8M).
- Effective FY22, the Mechanical Licensing function was transferred to the Office of Professional Licensure and Certification (OPLC). All revenues associated with this activity are now recorded by OPLC.
- FY24 and FY25 General Fund revenues are expected to remain relatively consistent with prior years.

Factors Impacting Estimates – General Funds

- Initial License and Vanity Plate Fees (RSA 263:42)
 - Vanity Plate fee (\$40) / Initial License Fees (\$50/\$60).
 - Revenues are projected to remain consistent in this area.
- Penalty Assessment Court levies a penalty assessment of \$2 or 24%, whichever is greater, on each fine or penalty imposed. (106-L:10)
 - 66.66% General Fund
 - 16.67% Victims' Assistance Fund
 - 16.67% Judicial Branch Information Technology Fund.
 - Revenues are projected to remain consistent in this area.
- Permits & Licensing
 - Primarily non-resident pistol license fees (\$100). Also includes license fees for detective agencies, security agencies, and explosives handling.
 - Revenues expected to continue to decline as demand for non-resident licenses is met.



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Department of Safety
 Unrestricted Gross Highway Fund Revenues
 FY16 - FY22 Actuals / FY23 - FY25 Projected
 April 20, 2023

DOS GROSS HIGHWAY REVENUE	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Proj	FY24 Proj	FY25 Proj
GASOLINE ROAD TOLL	126,073,313	127,417,020	128,638,213	130,244,806	119,500,071	118,815,436	123,764,717	124,074,127	124,694,498	125,317,970
ROAD TOLL FINES	218,929	2,545	120,503	107,539	178,586	148,244	153,384	150,000	150,000	150,000
OTHER ROAD TOLL REVENUES	104,851	119,815	116,850	93,041	118,411	148,681	123,530	125,000	125,000	125,000
ROAD TOLL	126,397,093	127,539,380	128,875,566	130,445,386	119,797,068	119,112,361	124,041,631	124,349,127	124,969,498	125,592,970
MOTOR VEHICLE REGISTRATION	74,820,068	75,481,170	77,252,362	77,866,624	79,833,651	81,679,596	81,223,220	81,700,000	82,108,500	82,519,043
UCR NH BASED	960,337	998,372	959,562	892,881	2,096,356	2,478,121	2,280,528	950,000	950,000	950,000
UCR OTHER STATES COLLECTIONS (Depository)	1,527,212	1,136,846	1,332,860	2,858,656	(54,343)	27,371	(9,689)	1,300,000	1,300,000	1,300,000
IRP OTHER STATE COLLECTIONS	2,828,936	2,808,125	2,986,564	3,150,645	2,856,297	3,608,969	3,507,411	3,100,000	3,100,000	3,100,000
IRP NH BASED COLLECTIONS	2,853,818	2,827,045	2,969,560	2,901,548	2,981,731	2,920,506	2,997,546	2,900,000	2,914,500	2,929,073
MV REGISTRATION	82,990,370	83,251,557	85,500,907	87,670,354	87,713,691	90,714,562	89,999,016	89,950,000	90,373,000	90,798,115
MOTOR VEHICLE OPERATORS	7,153,483	13,092,701	13,259,703	12,978,762	12,574,149	10,164,769	15,146,993	15,500,000	15,190,000	14,734,300
MV OPERATORS	7,153,483	13,092,701	13,259,703	12,978,762	12,574,149	10,164,769	15,146,993	15,500,000	15,190,000	14,734,300
INSPECTION STICKERS	4,037,071	4,034,275	3,697,252	3,959,355	3,906,648	3,854,506	3,911,020	3,900,000	3,900,000	3,900,000
INSPECTION STATION FEES	121,100	1,475	118,225	6,620	116,743	3,600	108,850	7,000	110,000	6,500
INSPECTION STATION FEES	4,158,171	4,035,750	3,815,477	3,965,975	4,023,391	3,858,106	4,019,870	3,907,000	4,010,000	3,906,500
CERTIFICATE OF TITLE	9,443,850	9,518,066	9,661,905	10,078,960	9,530,630	9,483,351	9,643,327	9,200,000	9,800,000	9,800,000
CERTIFICATE OF TITLE	9,443,850	9,518,066	9,661,905	10,078,960	9,530,630	9,483,351	9,643,327	9,200,000	9,800,000	9,800,000
PLEA BY MAIL	0	0	0	0	5,569,283	6,949,237	5,928,623	5,428,621	6,000,000	6,000,000
VALIDATION STAMP DEPOSIT	125	895	350	400	257	175	250	250	250	250
MISC MV FEES	306,690	285,351	328,923	381,342	369,465	307,961	371,420	371,418	325,000	325,000
PARK PLATE ADMIN FEE	24,745	35,170	43,605	52,139	62,424	80,110	93,055	93,055	80,000	80,000
OVERWEIGHT APPLICATION FEE	937,860	954,820	997,229	1,009,996	960,867	1,133,265	1,031,625	1,031,625	1,000,000	1,000,000
LICENSE RESTORATION	1,810,538	1,766,345	1,680,945	1,807,140	2,158,608	1,858,845	1,841,060	1,841,060	1,800,000	1,800,000
EZ-PASS FEE RESTORATION	-	-	-	-	-	-	207,761	207,761	200,000	200,000
NON DRIVER ID	118,920	119,034	116,402	121,665	97,772	94,201	101,110	101,113	100,000	100,000
OVERWEIGHT VEHICLES FINES	185,786	137,223	42,857	207,970	233,902	177,430	44,276	44,277	45,000	45,000
OTHER MV FINES	10,252	125	0	0	0	0	0	0	0	0
REGISTRATION RESTORATION FEES	251,075	249,175	239,250	263,150	279,894	254,330	230,525	230,525	230,000	230,000
MOTOR VEHICLE FINES - JUDICIAL BRANCH	6,885,220	6,187,208	5,669,017	5,346,539	4,740,847	4,380,795	5,556,575	5,556,575	5,600,000	5,600,000
MV MISC FEES	10,531,211	9,735,345	9,118,577	9,190,342	14,473,119	15,236,348	15,406,280	14,906,280	15,380,250	15,380,250
SALE OF VEHICLES	58,956	124,829	170,588	120,951	25,871	91,784	62,027	30,000	60,000	60,000
SALE OF VEHICLES	58,956	124,829	170,588	120,951	25,871	91,784	62,027	30,000	60,000	60,000
TOTAL DOS GROSS HIGHWAY REVENUE	240,733,134	247,297,627	250,402,723	254,450,729	248,137,919	248,661,282	258,319,144	257,842,407	259,782,748	260,272,135