Highway & General Fund Revenues
FY18 – FY24 Actuals / FY25 – FY27 Projections

House Ways and Means

Monday, February 3, 2025

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 – $263.9M Unrestricted Gross (FY24 actuals)

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

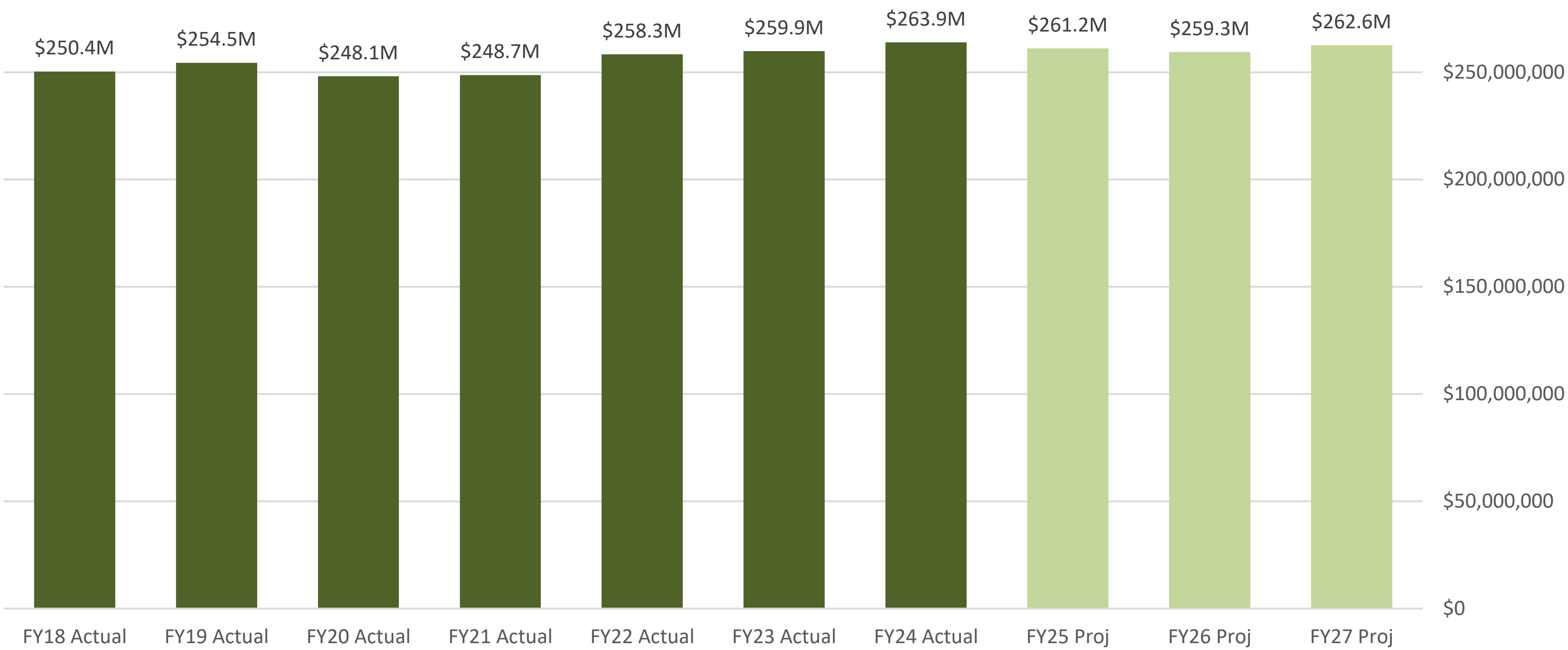
Significant General Fund Revenue Sources - $9.1M (FY24 actuals)

- 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

FY18 – FY24 Actuals / FY25 – FY27 Projections

Highway Fund Revenue – Unrestricted Gross



Analysis

- FY24 - Collected $263.9 million in Highway Fund revenue which was $4.0M (1.5%) more than the plan ($259.9M).
- FY25 - Projecting to collect $261.2 million in Highway Fund revenue, an increase of $800K (0.31%) from the plan ($260.4M).
- Highway Fund collections have slightly increased by an annual average of (0.51%) between FY18-FY24. These increases are not sufficient to keep pace with related expenditures thus it is anticipated to continue creating a structural deficit.
- The Legislature transferred $50M in General Funds into the Highway Fund in FY22 and an additional $10M in FY23 to address this ongoing structural deficit.

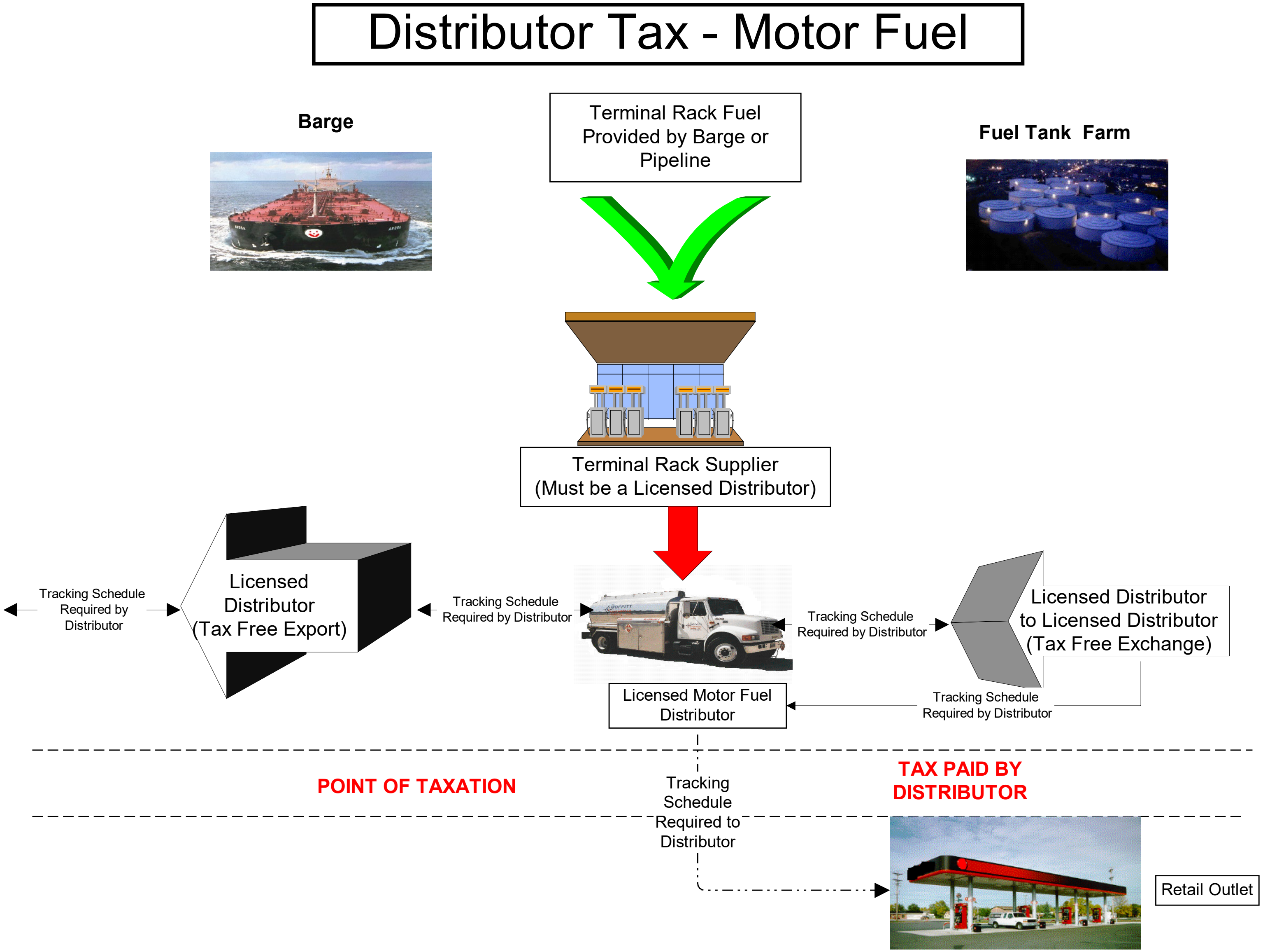
Revenue Source

- 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:
  - 153 Motor Fuel Distributor licensees
  - 61 Motor Fuel Transporter licensees
  - 1,679 International Fuel Tax Agreement (IFTA) licensees
  - 229 Oil Discharge and Pollution Control licensees

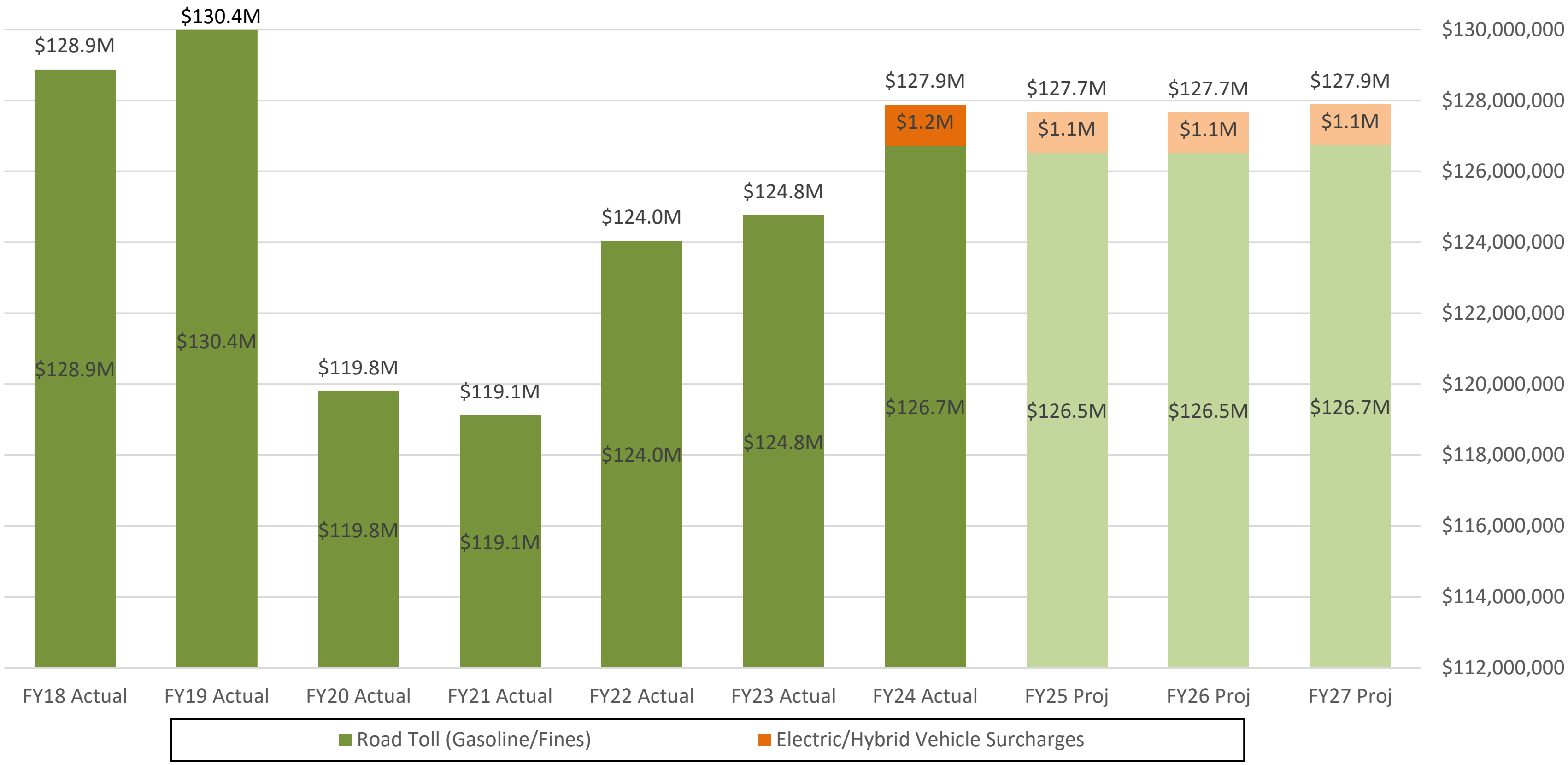
Road Toll – Point of Taxation



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 1/28/25 is $2.974/gallon. This is down $0.076 from last year's average of $3.050/gallon.
  - US Energy Information Administration (EIA) forecasts motor gasoline prices to decline to $3.20/gal in 2025 and $3.02/gal in 2026.
  - EIA expects crude oil prices to average $72/b in both 2025 and fall to $64/b in 2026.
- Weather
  - Dry summers and snowy winters help to drive tourism in New Hampshire and result in increased fuel consumption.
  - Lack of snow, and a 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 3.1% in the third quarter of 2024. In the second quarter of 2024, real GDP increased at a rate of 3.0%.
  - The U.S. Bureau of Labor Statistics reported on 1/15/25 that the Consumer Price Index (CPI) for all items rose 2.9% from December 2023 to December 2024.

Unrestricted Road Usage Revenue



Analysis

- FY24 - Collected $127.9 million in revenues which was $2.9M (2.3%) more than plan ($125.0M).
- FY25 - Projecting to collect $127.7 million in revenues which is an increase of $2.1M (1.7%) from the plan ($125.6M).
- FY26/27 Projections assume a 0.2% increase overall for the biennium due to the incorporation of the Electric and Hybrid Vehicle surcharges that took into effect September 1, 2023

Road Usage Fees

Per Gallon Fee	$0.222
Annual Electric Vehicle Fee	$100
Annual Hybrid Electric Vehicle Fee	$50

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

- Economy
  - Manufacturer Inventory levels has returned to pre pandemic volumes
  - Increased inventory lends itself to more competitive pricing and discounting in the market to the consumer
  - Sales have returned to pre pandemic levels, and we foresee sales remaining level
  - Positive impact on Registrations, Title, and Inspection revenues

Motor Vehicle Registration Revenue

Analysis

- FY24 - Collected $93.1 million in revenue, which was $2.9M (3.2%) more than plan ($90.2M).
- FY25 - Projecting to collect $90.4 million in revenue which is $307K (0.3%) increase from the plan ($90.1M).
- Registration revenues are projected to increase by 1.3% to $91.6M in FY26 and by 0.2% to $91.8M FY27.

Registration Fees

0-3000 lbs	$31.20
3001-5000 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 in excess of 73,280 lbs

Motor Vehicle Operators Revenue

Analysis

- FY24 - Collected $14.9 million in revenue which was $224K (1.5%) more than plan ($14.7M).
- FY25 - Projecting to collect $14.7 million in revenue which is in line with the plan.
- A revenue "dip year" occurs every 5 years due to the change from a 4-year license to a 5-year license, which we anticipate to occur in FY26. Assuming current trends, the dip year impacts will be resolved after 2036.
- Effective May 7, 2025, a REAL ID driver license will be required for domestic flights 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

- FY24 - Collected $9.4 million in revenue which was $421K (4.5%) less than plan ($9.8M).
- FY25 - Projecting to collect $9.6 million in revenue which is $224K (2.3%) decrease from the plan ($9.8M).
- FY26 and FY27 projections assume flat 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

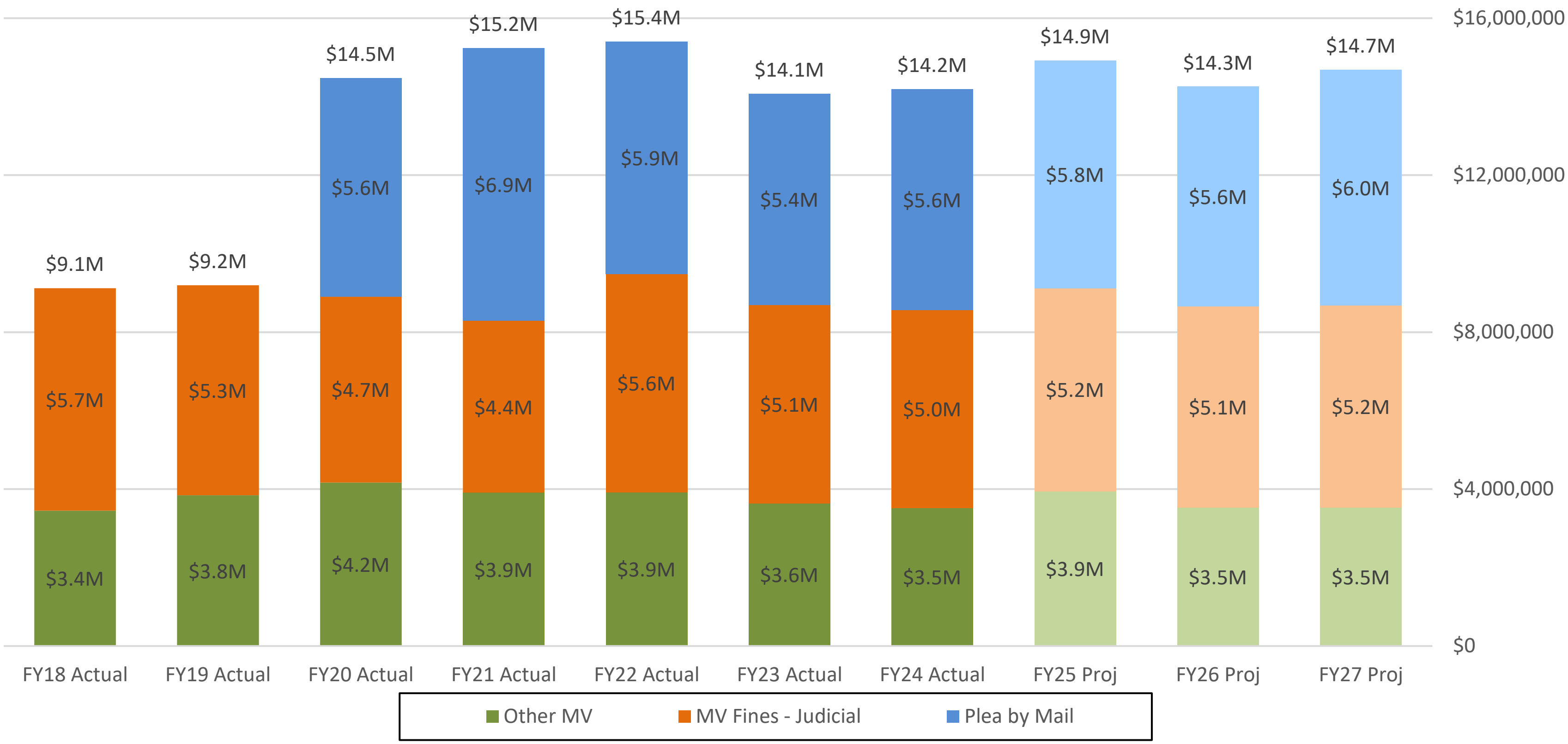
Analysis

- FY 24 - Collected $4.2 million in revenue which was in increase of $156K (3.7%) of the plan ($4.0M).
- FY25 - Projecting to collect $3.9 million in revenue which is a decrease of $100K (2.5%) from the plan ($4.0M).
- Inspection stations fees are projected to remain consistent in FY24 with a slight dip in FY25 due to the renewal period shifting from annual to a two-year renewal that took into effect FY16.

Inspection Fees

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

Motor Vehicle Miscellaneous Fees



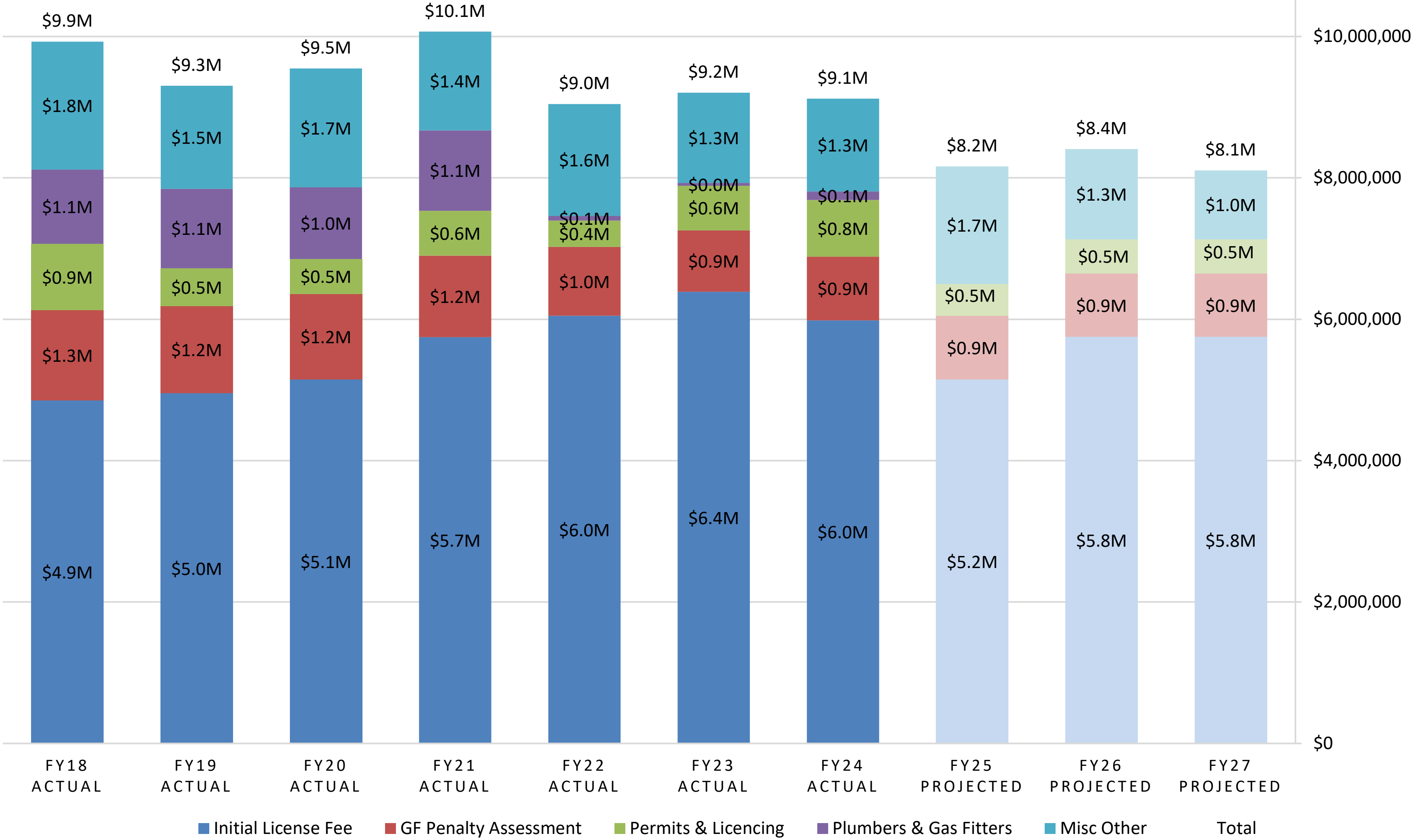
Analysis

- Plea by Mail (PBM) – Added to the Highway Fund in FY20. In FY24 collected $5.6M which was $682K (11%) less than plan ($6.3M). In FY25 projecting to collect $5.8M which is a decrease of $514K (8%) from the plan ($6.3M). Based on historical trends, FY26 & FY27 projections overall assume only a 3.7% increase for the biennium.
- MV Fines Judicial (Courts) – In FY24 collected $5.0M which was $847K (14%) less than plan ($5.9M). In FY25 projecting to collect $5.2M which is $713K (12%) less than plan ($5.9M). FY26 & FY27 projections assume similar collection rates.
- Other MV Fees – In FY24 collected $3.5M which is $428K (12%) less than plan ($3.9M). In FY25 projecting to collect $3.9M which is a in-line with the plan ($5.2M). FY26 and FY27 projections assume similar collection amounts.

General Fund Revenues

FY18 – FY24 Actuals / FY25– FY27 Projections

General Fund Revenue



Analysis

- FY24 - Collected $9.1 million in revenues which was $906K (11%) more than plan ($8.2M).
- FY25 - Projecting to collect $8.2 million in revenues which is in-line with the plan ($8.2M).
- FY26 and FY27 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 along with demand for non-resident licenses is met.

Amy L. Newbury
Director of Administration

Jennifer L. Hall
Road Toll Bureau Chief