

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-261

AN ACT CONCERNING RECOMMENDATIONS BY THE
DEPARTMENT OF MOTOR VEHICLES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Motor Vehicles	TF - Potential Revenue Loss	Minimal	Minimal
Department of Motor Vehicles	TF - Potential Revenue Loss	52,800	44,000
Department of Motor Vehicles	TF - Revenue Gain	48,000	48,000
Department of Motor Vehicles	School Bus Seat Belt account (Non-lapsing GF) - Revenue Gain	Minimal	Minimal
Department of Energy and Environmental Protection	Connecticut Lakes, Rivers and Ponds Preservation account (Non-lapsing GF) - Revenue Gain/Cost	Minimal	Minimal

Note: TF=Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Revenue Loss	Minimal	Minimal

Explanation

Sections 1 and 2 require the DMV to revoke an identity card due to

Primary Analyst: PM
Contributing Analyst(s): DD, AN, MR, PR
Reviewer: MM

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misrepresentation or deceit and impose a \$175 restoration fee with a requirement that \$50 of each fee be deposited into the School Bus Seat Belt account. To the extent that identity cards are revoked, and people seek restoration, this section results in a minimal revenue gain to both the Transportation Fund and to the School Bus Seat Belt account, depending on the number of identity card restorations.

Section 4 imposes a \$25 per application fee on entities that fail or refuse to file certain applications electronically upon the request of the DMV Commissioner and, to the extent that entities are non-compliant and that the fee more than covers administrative costs, results in a potential minimal revenue gain to the Transportation Fund.

Section 5 lengthens the period a beneficiary designated on a registration certificate must transfer the vehicle after the death of the owner, resulting in no fiscal impact because it is not expected to change the number of vehicles registered in any municipality for property tax purposes.

Sections 6 and 7 establish fees for the Save Our Lakes commemorative license plate, remove the requirement that fees be established through regulation, and make conforming technical changes. A fee of \$60 (or \$80 for non-standard plates) will be charged for the plate in addition to the registration fee. Of the total fee, \$15 shall go towards the production of the new plate, and \$45 (or \$65 for non-standard plates) shall go into the renamed "Connecticut Lakes, Rivers and Ponds Preservation account," to be used by the Department of Energy and Environmental Protection (DEEP) for the purposes outlined in the bill. This account was established by PA 18-101 as the "Connecticut Lakes and Ponds Preservation account."

Section 8 increases the registration fees for student transportation vehicles designed as passenger vehicles, resulting in no fiscal impact because this section is codifying current practice.

Section 9 modifies insurance requirements for certain commercial passenger vehicles and has no fiscal impact to the state or

municipalities because it deals with commercial insurance requirements.

Section 10 lengthens, from 30 to 60 days, the period during which a person may operate a motor vehicle with a valid out-of-state license following the establishment of Connecticut residency. As under current law, violations of this section will be subject to fines of up to \$90 for a first offense and higher amounts for subsequent offenses. In FY 20, 98 violations resulted in fine revenue of \$14,929. To the extent that fewer people are fined as a result of lengthening the out-of-state license grace period, this section results in potential minimal revenue loss to the Transportation Fund.

Section 15 requires the DMV to check the federal Drug and Alcohol Clearinghouse before validating a commercial driver's license beginning January 6, 2023, resulting in no fiscal impact because clearinghouse costs will be funded through the relevant federal agency.

Sections 16 and 17 modify the duration of commercial learner's permits (CLPs) from 180 days, with an option to renew, to a single one-year duration and increase the fee a commensurate amount, from \$10 to \$20. In FY 19 and FY 20, DMV issued an average of 5,672 CLPs, of which 4,798 were for initial issuances and 874 were for renewals. To the extent that this same proportion of applicants need only a 180-day CLP but are now required to pay for a full-year duration, these sections result in a revenue gain of approximately \$48,000 annually.

Section 20 expands the option for seniors to obtain a one-year registration to include combination registration on passenger vehicles. The bill adjusts the fees proportionately; however, to the extent that seniors decide to shorten their renewal periods, there may be a maximum revenue loss of approximately \$52,800 in FY 22 and \$44,000

in FY 23¹, with annual fees returning near current levels by FY 25. This revenue loss would be dependent on the number of individuals who choose the shorter registration period and it is not anticipated that every individual would choose this option.

Section 33 lengthens, from 60 to 90 days, the period by which new residents must register an out-of-state vehicle in Connecticut. As under current law, violations of this section will be subject with up to a \$1,000 fine, with all collections remitted to the municipalities in which the violations occur. In FY 20, 78 violations resulted in fine revenue of \$150. To the extent that fewer people are fined as a result of the lengthening of the registration period, this section results in potential minimal revenue loss to municipalities.

The other sections of the bill are technical, make conforming changes, or otherwise do not have a fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except as otherwise described.

¹ There are approximately 2,400 passenger combination vehicles currently registered by seniors. These figures assume that population remains constant and that all eligible seniors opt for the one-year renewal.