

Revenue Estimating Conference
Highway Safety Licenses and Fees
Executive Summary
February 23, 2023

Adopted February 23, 2023, the new forecast for Highway Safety Licenses and Fees (HSMV) was revised upward relative to the previous forecast adopted July 28, 2022. By variable, the positive changes to the forecast exceeded the smaller downward adjustments in FY 2022-23 by \$59.8 million or 2.2%. The positive adjustments in the outer years continue to outweigh the negative ones, with a \$33.5 million increase to FY 2023-24, a \$29.1 million increase to FY 2024-25, a \$28.2 million increase to FY 2025-26, a \$34.8 million increase to FY 2026-27, and a \$38.5 million increase to FY 2027-28.

Eight of the revenue categories were increased for each year of the forecast, with the largest increase over the first two years occurring in the Initial Registrations category. This change amounted to \$48.4 million in FY 2022-23 and \$38.6 million FY 2023-24. Other categories whose estimates were increased include Transcripts, Private Driver Licenses, ID Cards, Reinstatements, Private Vehicles, Truck/Tractors, and IRP. In contrast, Red Light Cameras, For Hire, and HSMV Plates were reduced throughout the forecast period. Several categories that fall out from the categories that are specifically adopted (Biennial Adjustments, Motor Vehicles and Surcharges) also decreased in every year that they are estimated. The estimate was not revised for DL Tests, DUI, Other Vehicles, and Vessel Registrations. The forecast for Miscellaneous Fees, Commercial Driver Licenses, Suspensions, and Titles 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
 - FY 2022-23: \$9.6 million (2.7% increase)
 - FY 2023-24: \$2.5 million (0.7% increase)
- Highway Safety Operating Trust Fund
 - FY 2022-23: \$19.2 million (3.7% increase)
 - FY 2023-24: \$16.1 million (3.1% increase)
- State Transportation Trust Fund (including other adjustments)
 - FY 2022-23: \$30.6 million (2.1% increase)
 - FY 2023-24: \$15.5 million (1.0% increase)