

Potential Fiscal Impacts of Senate Committee on Transportation's Proposed Amendment to S.326 3/11/2026

Fiscal Impact

This proposal of amendment is estimated to increase expenses incurred by the Department of Motor Vehicles (DMV) by approximately \$32,000 per year and have a de minimis impact on state revenues.

Section 1-5: Identification for Detained and Sentenced Individuals

Under current law, Vermont offers free nondriver IDs to eligible individuals who are sentenced to serve a period of imprisonment of six months or more. These sections would expand the types of identification those individuals can receive for free to include replacement operator's licenses and replacement learner's permits. These sections would also expand exemption eligibility to include individuals who are detained for six months or more in a correctional facility.

Per the Department of Corrections (DOC), in 2025, 465 free nondriver IDs were provided to sentenced individuals. Between 2022 and 2025, there were an average of 46 individuals per year who were detained for a period of six months or longer. Under current law, nondriver IDs have an application fee of \$29; replacement operator's licenses and replacement learner's permits have an application fee of \$24.

There could be revenue loss from these eligible individuals no longer paying the above-mentioned fee. Given the fact that a large portion of eligible individuals already receive nondriver IDs for free and the small number of new applicable individuals, JFO estimates that these sections will have a de minimis fiscal impact.

Section 8: Smugglers' Notch Penalties

This section would increase the civil penalty issued for violation of the vehicle operation prohibition set forth under 23 V.S.A. § 1006b. The penalty is increased from \$1,000 to \$10,000 in all instances of violations and from \$2,000 to 20,000 if the violation substantially impedes the flow of traffic. JFO cannot estimate potential revenue generated from increased civil penalties.

Section 15: Fees for Towing

This section would increase the amount a towing service may charge for towing an abandoned motor vehicle from public property from \$125 to \$250. In fiscal year 2025, DMV paid for 256 vehicles to be towed. Assuming a consistent rate in future years, this section is estimated to increase DMV expenses by roughly \$32,000 per year.

Section 19: Unregistered snowmobile penalties

This section would increase the civil penalty for the operation of an unregistered snowmobile from \$135 per violation to \$450 for a first offense and \$500 for a second or subsequent offense within a three-year period. JFO cannot estimate potential revenue generated from increased civil penalties.

Section 21: Nondomiciled commercial driver's license

This section would establish a \$40 yearly fee for a nondomiciled commercial driver's license (CDL). In 2025, 16 nondomiciled CDLs were issued. Given the small number of applicable instances, this section is estimated to have a de minimis fiscal impact.

Section 28: Limited-Use Specialty Vehicles

This section would establish a \$26 annual registration fee for limited-use specialty vehicles. The Commissioner Motor Vehicles would be allowed to issue a maximum of 12 of these registrations per year. Due to this limitation, the estimated fiscal impact of this section is de minimis.