



Robert L. Quinn, Commissioner
 Eddie Edwards, Assistant Commissioner
 Steven R. Lavoie, Assistant Commissioner

MEMORANDUM

To: The Honorable Senator Tim Lang, Senate Ways and Means, Chair
Fr: Amy L. Newbury, Director of Administration
Date: April 7, 2025
Re: Request for Revenue Estimates for 2026-2027 Biennium

The following information was presented to the House Finance Committee during recent work sessions, with revenue estimates remaining unchanged:

DOS GROSS HIGHWAY REVENUE	FY25 Proj	FY26 Proj	FY27 Proj
GASOLINE ROAD TOLL	126,250,000	126,250,000	126,470,938
ROAD TOLL FINES	150,000	150,000	150,000
OTHER ROAD TOLL REVENUES	125,000	120,000	120,000
ELECTRIC VEHICLE SURCHARGE	950,000	950,000	950,000
HYBRID VEHICLE SURCHARGE	195,000	195,000	195,000
ROAD USAGE	127,670,000	127,665,000	127,885,938
MOTOR VEHICLE REGISTRATION	83,082,101	83,250,000	83,500,000
UCR NH BASED	26,368	950,000	950,000
UCR OTHER STATES COLLECTIONS (Depository)	780,294	1,300,000	1,300,000
IRP OTHER STATE COLLECTIONS	3,766,229	3,100,000	3,100,000
IRP NH BASED COLLECTIONS	2,751,552	2,950,000	2,950,000
MV REGISTRATION	90,406,544	91,550,000	91,800,000
MOTOR VEHICLE OPERATORS *	14,700,000	12,500,000	15,000,000
MV OPERATORS	14,700,000	12,500,000	15,000,000
INSPECTION STICKERS	3,900,000	3,900,000	3,900,000
INSPECTION STATION FEES*****	3,900	105,000	3,600
INSPECTION STATION FEES	3,903,900	4,005,000	3,903,600
CERTIFICATE OF TITLE **	9,576,013	9,300,000	9,300,000
CERTIFICATE OF TITLE	9,576,013	9,300,000	9,300,000
PLEA BY MAIL	5,800,000	5,600,000	6,000,000
VALIDATION STAMP DEPOSIT	263	200	200
MISC MV FEES	341,988	350,000	350,000
PARK PLATE ADMIN FEE	50,000	100,000	100,000
OVERWEIGHT APPLICATION FEE	1,052,270	1,050,000	1,050,000
LICENSE RESTORATION	1,894,087	1,550,000	1,550,000
EZPASS FEE RESTORATION	210,454	125,000	125,000
NON DRIVER ID	105,227	100,000	100,000
OVERWEIGHT VEHICLES FINES	47,352	28,000	28,000
OTHER MV FINES	0	0	0
REGISTRATION RESTORATION FEES	242,022	225,000	225,000
MOTOR VEHICLE FINES - JUDICIAL BRANCH ***	5,179,502	5,152,170	5,124,990
MV MISC FEES	14,923,165	14,280,370	14,653,190
SALE OF VEHICLES	0	60,000	60,000
SALE OF VEHICLES	0	60,000	60,000
TOTAL DOS GROSS HIGHWAY REVENUE	261,179,622	259,360,370	262,602,728

Summary:

The highway fund, totaling approximately \$261 million per Fiscal Year, is supported by various revenue sources, including the state’s gas tax (collected through the Road Toll Bureau), motor vehicle registrations, driver’s licenses, vehicle titles, inspections, and other miscellaneous revenues.

In FY 2024, total highway fund revenues reached \$263.9 million, exceeding the projected \$259.9 million by \$4 million. For FY 2025, projected collections are \$261.2 million, slightly above the planned \$260.4 million by approximately \$800,000.

While highway fund revenues have experienced a modest annual growth rate of 0.51% from FY 2018 to FY 2024, this increase has not kept pace with rising costs. These funds are essential for maintaining New Hampshire's roads and supporting key Department of Safety functions, including the State Police and the Commissioner's Office. The disparity between revenue growth and increasing expenses has resulted in a structural deficit, with revenues no longer sufficient to meet operating needs. To address this shortfall, the legislature allocated \$50 million in general funds in FY 2022 and an additional \$10 million in FY 2023 to balance the budget. This underscores the growing financial strain and the need for sustainable, long-term solutions.

Motor Vehicle Registration Revenue

In FY 2024, motor vehicle registration revenues totaled \$93.1 million, exceeding the projected \$90.2 million by \$2.9 million. For FY 2025, projected revenues stand at \$90.4 million. These figures represent the state's share of registration fees, which are directly deposited into the highway fund.

Currently, motor vehicle registrations are showing a slight decline year-to-date. This trend may be influenced by factors such as economic conditions, demographic shifts, policy changes, the rise of alternative transportation, and environmental considerations. Continued monitoring of these trends will help refine future revenue projections.

Motor Vehicle Operator Revenues

Revenue from driver's licenses has stabilized, despite previous fluctuations caused by the transition from four-year to five-year licenses. These revenues are expected to fully level out by 2036. Additionally, with the federal Real ID compliance deadline in May 2025, an increase in licensing activity may occur as individuals upgrade their credentials.

Inspection Revenues

Inspection revenues remain steady, following a biennial fee cycle. These revenues typically amount to \$4 million in one year and \$3.9 million in the next.

Plea-by-Mail Revenue

Since its inclusion in the highway fund in FY 2020, plea-by-mail revenue has shown some variability. In FY 2024, collections totaled \$5.6 million, \$682,000 below the projected \$6.3 million. For FY 2025, revenue is expected to reach \$5.8 million, reflecting a decrease of \$514,000 from previous projections.

General Fund Revenues

While general fund revenues are not a primary focus, they contribute approximately \$8 million annually.

Conclusion

Although revenue streams remain stable, modest growth is insufficient to keep pace with rising costs and the structural deficit in the highway fund. Factors such as fuel prices, economic conditions, and weather patterns will continue to influence revenue trends. To ensure the long-term sustainability of these funds and the critical programs they support, strategic planning and ongoing legislative action will be essential.