



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
Fax: (401) 222-6410

State Fiscal Note for Bill Number:

2024-H 7187

Date of State Budget Office Approval: Tuesday, February 6, 2024

Date Requested: Thursday, January 11, 2024

Date Due: Sunday, January 21, 2024

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2024 \$0	FY 2024 \$0
FY 2025 \$0	FY 2025 \$(4,424)
FY 2026 \$0	FY 2026 \$(4,424)
*	**

Explanation by State Budget Office:

This act would amend R.I. Gen. Laws § 31-10-31 to exempt any individual who is aging out of foster care from the payment of the fee associated with the issuance of an operator's first license as well as the payment of the fee for driver's education classes at the Community College of Rhode Island (CCRI) required by § 31-10-19(e). The fee waiver is in effect until the individual reaches twenty-seven (27) years of age.

Summary of Facts and Assumptions:

The bill is effective upon passage. Given the time needed by DMV to implement this proposal, the Office of Revenue Analysis (ORA) assumes the fee exemption would be effective on July 1, 2024. According to the Department of Child, Youth, and Families, an average of 112 individuals age out of the foster care system each year. This typically occurs at age 18. As a simplifying assumption, ORA assumed that all these foster care youth would already have gained their Limited Instructional Permit and Limited Provisional License by age 18, and the fees for those permits and licenses would not be affected by this proposal. (It is also worth noting that Limited Instructional Permit fees are governed by a different section, R.I. Gen. Laws § 31-10-6.3.) ORA assumed all 112 individuals would apply for a full operator's license when they turned 18. Given, these assumptions, ORA analyzed the impact of exempting 112 individuals from paying fees on their first full operator's license. ORA assumed that by eliminating the fee for former foster care youth, DMV would also not collect the license surcharge and the technology surcharge. The operator license fee is \$25 for an initial license, and that is combined with a \$12 license surcharge and a \$2.50 technology surcharge, yielding a total fee of \$39.50 per license. Exempting 112 individuals from this fee would decrease RIHMA revenue by \$4,144 and DMV restricted receipt revenue by \$280, for a total loss of \$4,424. As written, this bill would only exempt former foster care youth from the fee on their first operator's license (because the bill narrows the exemption to R.I. Gen. Laws § 31-10-31(a)(1)). If an eligible individual obtains a first license at age 18, they would be required to renew twice before they turn 27, paying \$62.50 each time (two years after their initial license, and then five years after that). The revenue loss would grow to \$11,424 in year three and \$18,424 in year eight if these renewals were also exempted. It is unclear how many of these individuals would take driver's education classes at CCRI, especially given the assumption in this fiscal note that all of these individuals would have gone through their initial driver training before aging out of foster care. While the impact on CCRI is not included in the fiscal impact, if all eligible individuals did take driver's education classes at CCRI, the



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
Fax: (401) 222-6410

State Fiscal Note for Bill Number:

2024-H 7187

college would lose annually \$14,640 in revenue that is dedicated to the driver's education program (122 individuals * \$120 class fee, not including the textbook charge).

Comments on Sources of Funds:

Operator license fees are transferred to the Rhode Island Highway Maintenance Account (RIHMA). This proposal would also impact the operator license surcharge, which is also transferred to the RIHMA, and the technology surcharge, which is a restricted receipt revenue under the Division of Motor Vehicles (DMV). CCRI driver's education class fees are retained by the college to fund the driver's education program.

Summary of Fiscal Impact:

FY 2024: Not applicable due to the assumed implementation date of the bill.

FY 2025: A loss of \$4,144 of RIHMA revenue and \$280 of DMV restricted receipt revenue, for a total loss of \$4,424.

FY 2026: A loss of \$4,144 of RIHMA revenue and \$280 of DMV restricted receipt revenue, for a total loss of \$4,424.

Budget Office Signature: _____

A handwritten signature in blue ink, appearing to read "Joseph Codega Jr.", written over a horizontal line.

Digitally signed by Joseph Codega Jr.
Date: 2024.02.22 08:53:38 -05'00'

Fiscal Advisor Signature: _____

A large, stylized handwritten signature in blue ink, written over a horizontal line.