

# *Governor's FY 2014 Budget: Articles*



Staff Presentation to the House  
Finance Committee  
February 5, 2013

# *Introduction*

- Article 6 - Division of Motor Vehicles
  - Section 1 - Reflective License Plates
  - Section 2 - Motor Vehicle Surcharges
- Article 7 - Public Debt Management
- Article 21 - Rhode Island Public Transit Authority

## *Article 6 - Section 1, Reflective Plates*

- Delays the mandatory reissuance of fully reflective license plates from September 1, 2013 to September 1, 2015
- Allows new plates to be issued
  - At the time of initial registration
  - Upon registration renewal
- Current law suggests all reissuances would be done at once

## *Article 6 - Section 1, Reflective Plates*

- Delayed implementation recommended
  - Spread costs over 2 to 3 years
  - Could exacerbate ongoing issues
- Full implementation costs - \$5.6 million
  - \$2.8 million for manufacturing
  - \$2.6 million for mailing/postage
  - \$0.2 million for planning and overtime
  - Costs may be offset

## *Article 6 - Section 2, Motor Vehicle Fees*

- Revision to current law regarding motor vehicle surcharges
  - Collected by DMV
  - Established by the 2011 Assembly for DOT in lieu of borrowing
  - Appears to correct those actions to reflect intent

## *Article 6 - Section 2, Motor Vehicle Fees*

- Incremental transportation related fee increases
- Combined with RICAP for state match of federal funds
- Would begin on July 1, 2013
- Fees originally estimated to yield \$20 million annually

# Article 6 - Section 2, Motor Vehicle Fees

## Current Law

<b>Fiscal Year</b>	<b>Biannual Registration Fee</b>	<b>Annual Registration Fee</b>	<b>License Fee</b>
2013	\$60.00	\$30.00	\$30.00
2014	\$70.00	\$35.00	\$40.00
2015	\$80.00	\$40.00	\$50.00
2016	\$90.00	\$45.00	\$60.00

## *Article 6 - Section 2, Motor Vehicle Fees*

- Technical corrections to current law regarding motor vehicle surcharges
- Corrections included to ensure that surcharges reflect intent of current law
- Clarifies surcharges are for all registrations
  - Antique, farm, motorcycles



## *Article 6 - Section 2, Motor Vehicle Fees*

- Establishes lower surcharges for consistency with registration costs
- Prorates 5 year license renewal surcharge
  - Certain renewals less than five years
- Renames account “Rhode Island Highway Maintenance Account”

## *Article 6 - Section 2, Motor Vehicle Fees*

- Establishes account in the Intermodal Surface Transportation Fund
- Anomalies in Data
  - Total registrations too high
  - Appears to be missing data elements

# Article 6 - Section 2, Motor Vehicle Fees

Registration Type	Current Fee*	Art. 6 Full Surcharge	Total Cost
In Transit	\$10.00	\$5.00	\$15.00
Transporter	\$10.00	\$5.00	\$15.00
Bailee	\$10.00	\$5.00	\$15.00
Antique	\$5.00	\$5.00	\$10.00
Veteran	\$60.00	\$5.00	\$65.00
Farm	\$20.00	\$10.00	\$30.00
Motorcycle	\$26.00	\$13.00	\$39.00

**\*Excludes Technology Surcharge of \$1.50**

## *Article 6 - Section 2, Motor Vehicle Fees*

- Revenue changes from updated data
  - Still appear to be inconsistencies
  - Staff is working with Budget Office on corrections
  - Budget Office estimates \$6.6 million less for FY 2014 through FY 2017
  - \$0.7 million less for FY 2014
  - Will require backfill from other source

## *Article 7 - Public Debt Management Act*

- The Public Corporation Debt Management Act
- Requires all new non-general obligation debt authorizations be approved by the Assembly
- Except in certain circumstances

## *Article 7 - Public Debt Management Act*

- Allows for debt approved under this act to be available for refunding by the state
- Current law allows for quasi-state agencies, but not for the state without specific legislative approval
- Must provide a financial benefit to the state

## *Article 7 - Public Debt Management Act*

- Current version may unintentionally affect other provisions in law
- Working with Budget Office and Legal Counsel to identify options

## *Article 21 - RIPTA*

- Technical correction to current law
- 2012 Assembly appropriated \$4.2 million from State Fleet Replacement Revolving Loan Fund
- Intent was for the Authority not to pay back



## *Article 21 - RIPTA*

- Consistent with transportation's transition from financing to pay-go
- Specifies RIPTA will not repay amount
- Current version is inconsistent with Governor's capital recommendation
  - Includes \$4.2 million through FY 2017
  - Plan programs only \$4.1 million
  - Uses same source in FY 2018; funds may not be available

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