

Driver's License Fees (61-5-100, MCA)

1. Model Characteristics

- Deconstructed accounting data is used to develop estimates of annual licensing.
- Revenue is forecast based on historical licensing patterns and population projections.

2. Model Data

- SABHRS accounting data are used to estimate basic licenses counts, and all fund revenue by license and fee type.
- Age cohort weighted average fees are estimated for basic licenses.
- Age cohort population estimates are used to project growth.

3. Key Variables

- Estimated counts of basic drivers licenses issued by type.
- Long run relative proportions project smaller licensing revenues (inter-state and intra-state commercial driver's licenses, motorcycle endorsements, etc.).

4. Other Important Points

- License terms are generally eight years, the term is shorter for drivers under age 21 and over age 73. The fee is \$ 5 per year. Commercial licenses (CDL) have five-year duration, the CDL fees are \$10 per year for interstate and \$8.50 for intra-state licenses.
- Revenue swings between fiscal years are principally due to the effects of the transition from four-year to eight-year licensing (1996-1999). Transition rules did not smooth peak-to-trough variations as drivers' apparently actively sought eight-year licenses.
- The amplitude of the swings grew with fee changes in FY 2003. These effects have persisted despite the end of the second eight-year cycle of license renewals in 2015.
- Actual licensed population data is cumbersome, and has as of yet to prove effective in forecasting collections.
- State special revenue is distributed for Traffic Safety Education (about \$ 1 million per year) and Motorcycle Safety Training (\$25,000 per year) funds for education activities.