



# State Operating Budget

## Department of Safety

### Costs of Collections and Administration

#### Fiscal Issue Brief

January 2019

Both the New Hampshire Constitution and state statute recognize the separate accounting for the cost of the collection and administration of revenues, specifically road toll and motor vehicle fees collected by the Department of Safety, prior to credit to the Highway Fund:

**Part II, Article 6-a. [Use of Certain Revenues Restricted to Highways.]** All revenue *in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever.*

**RSA 9:9-a Collection of Highway Fund Revenue; Reporting Requirement.** Pursuant to part II, article 6-a of the New Hampshire constitution, *any costs associated with the collection and administration of highway funds by the department of safety shall be deducted by the department before such funds are credited to the highway fund. On or before January 1, the department shall provide an annual accounting of such administration and collection costs to the president of the senate and the speaker of the house of representatives. No current fiscal year collection or administration costs shall be expended until the previous year's collection cost report has been received.*

The State's operating budget restricts a portion of the road toll and motor vehicle fee revenue collected by the Department of Safety to cover its costs related to the collection and administration of said revenue, a budgeting practice that began in FY 2016. In prior budgets, all unrestricted road toll and motor vehicle fee revenue collected by the Department was credited to the highway fund as unrestricted revenue and the operating budget made highway fund appropriations to the Department. Below is an illustration of the past three state operating budgets:

<b>Department of Safety (Fund 015 Accounting Units Only)</b>						
<i>(In Millions)</i>						
<b>Appropriation</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
General Fund	\$ 1.43	\$ 1.40	\$ 25.11	\$ 25.09	\$ 28.35	\$ 28.45
Highway Fund	\$ 75.93	\$ 78.20	\$ 29.85	\$ 30.47	\$ 30.89	\$ 31.29
<b>Cost of Collection/ Administration</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28.84</b>	<b>\$ 29.75</b>	<b>\$ 30.61</b>	<b>\$ 31.42</b>
<b>Total</b>	<b>\$ 77.35</b>	<b>\$ 79.60</b>	<b>\$ 83.80</b>	<b>\$ 85.31</b>	<b>\$ 89.85</b>	<b>\$ 91.16</b>