



STATE OF RHODE ISLAND

**DIVISION OF MOTOR VEHICLES  
ADMINISTRATION OFFICE**

600 New London Avenue  
Cranston, RI 02920-3024  
Phone: 401-462-4368  
[www.dmv.ri.gov](http://www.dmv.ri.gov)

June 12, 2024

The Honorable Marvin L. Abney  
Chair, House Committee on Finance  
State House  
Providence, RI 02903

**RE: 2024 H-7860 Substitute A - AN ACT RELATING TO MOTOR AND  
OTHER VEHICLES – REGISTRATION FEES**

Dear Chair Abney:

The Division of Motor Vehicles ("DMV") writes to express opposition to House Bill 7860 – Substitute A, An Act Relating to Motor and Other Vehicles-Registration Fees.

The proposed bill would provide a credit for motor vehicle registrants who voluntarily cancel their registration within the registration period. Registrants would receive a credit equal to that portion of the fee paid which covers the time left on the original registration. The credit would be applied to future registration fees incurred by the registrant.

The DMV opposes the proposed bill for several reasons, the first being that significant changes to the DMV's computer system, "RIMS", would be required, as the concept of a credit does not presently exist within the system. Programming would be required to create a way to track when a customer is owed a credit and in what circumstances it should be applied. There are numerous transactions within RIMS which are considered registration transactions, including new title/registration, re-registration, registration renewal and registration transfers. Provisions for credits would also need to be created in the checkout and cash-drawer reconciliation processes utilized by the customer service representatives. Further complicating matters, many customers conduct registration transactions online, by mail, or lockbox dropoff - all situations in which providing credits would be exceptionally difficult, time consuming and costly.

Even if DMV were able to program and implement these changes, the desired goal of the proposed bill may not be realized. The proposed bill provides for the credit to be issued to "the registrant" and that the credit is to be applied to "future registration fees incurred by the registrant." In the case of leased vehicles, the registrant is the

The Honorable Marvin L. Abney  
June 12, 2024  
2024 H-7860A  
Page 2

leasing company. Therefore, under the language of the proposed bill, the leasing company would receive the credit, and that credit would be applied to future registration fees incurred by the leasing company.

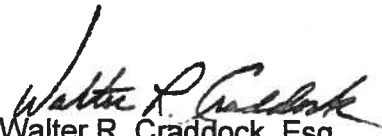
Furthermore, the issuance of refunds as provided for in the proposed bill would result in significant revenue loss to the state. The fact that the Substitute A version of the bill alters the mechanism from refunds to credits would have little impact on this revenue loss, as the amount of fees being collected would still be reduced by the same amount. Registration fees are determined by the gross vehicle weight rating (GVWR) of the vehicle. In fiscal year 2023, 27,638 registrations were cancelled with greater than one year remaining on the registration period. Even if a very conservative GVWR is applied to that number of registrations, with the fee calculated at sixty dollars (\$60.00) per year, the resulting loss of revenue would be approximately \$1,658,280.00. Because the fees for many vehicles are more than \$60.00, the actual amount of lost revenue could be much higher.

Perhaps even more significantly, the funds from registration fees are deposited into the state's highway maintenance account. The state receives federal matching funds for the money in that account at a rate of twenty percent (20%). Therefore, by way of example, a reduction in registration fees of \$1.5 million would result in a loss of \$6.0 million in federal funds, for a total revenue loss of \$7.5 million.

Finally, the Substitute A version of the bill, like the original, would take effect upon passage. The changes required by the bill, even if achievable, would take no less than one year to implement. The development and programming costs to implement these changes could be potentially up to \$250,000.00. That cost is in addition to the lost revenue.

Thank you for your consideration.

Sincerely,

  
Walter R. Craddock, Esq.  
Administrator

Cc: The Honorable Members of the House Committee on Finance  
The Honorable Gregory J. Costantino  
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the  
House of Representatives  
Sharon Reynolds Ferland, Fiscal Advisor to the House of Representatives  
Thomas A. Verdi, Director, Department of Revenue