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# State of New Hampshire

DEPARTMENT OF SAFETY  
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March 2, 2023

The Honorable Ken Weyler, Chairman  
Fiscal Committee of the General Court

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Pursuant to RSA 228:12, authorize the Department of Safety, Division of Motor Vehicles, to transfer \$270,000.00 from the Highway Surplus Account to fund credit card fees. Effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. 100% Agency Income (Cost of Collections).

The funds are to be budgeted as follows:

02-23-23-233015-30980000 Dept. of Safety – Division of Motor Vehicles – Credit Card Fees

<u>Class</u>	<u>Description</u>	<u>SFY2023</u> <u>Current Authorized</u>	<u>Requested</u> <u>Action</u>	<u>SFY 2023</u> <u>Adjusted</u> <u>Authorized</u>
009-407017	Agency Income	\$ (369,142.00)	\$ (270,000.00)	\$ (639,142.00)
020-500205	Current Expenses	\$350,000.00	\$270,000.00	\$620,000.00
049-500246	Transfer to Other State Agencies	\$19,142.00	\$0.00	\$19,142.00
	Total	\$369,142.00	\$270,000.00	\$639,142.00

### EXPLANATION

The Division of Motor Vehicles (DMV) requests authorization to transfer funds in the amount of \$270,000.00 from Highway Surplus to cover additional credit card processing fees not expected during the last budget process.

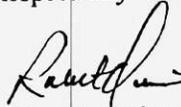
Due to a higher-than-expected increase in credit card transaction volume and an unexpected increase in processing fees assessed by the state merchant services vendor, the DMV projects a significant shortfall in the amount budgeted for credit card transaction fee expense. Through January 2023, the DMV has expended \$339,610 in credit card fees on revenue transactions totaling \$17,268,848. Based on current credit card transaction volume and merchant service vendor billing, the DMV estimates the need for an additional \$270,000 to cover credit card transaction fees through the end of the fiscal year.

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The DMV was unable to identify available funds to transfer from FY23 budgeted appropriations to address these increased costs, requiring a transfer from Highway Fund surplus. Any funds not expended will be lapsed back to the Highway Fund during Fiscal Year end close.

Respectfully submitted,



Robert L. Quinn  
Commissioner of Safety

State of New Hampshire  
Surplus Statement - Highway Fund

1/20/2023

Fiscal Years 2021 Actual/ 2022 Actual/2023 Adjusted Auth. Budget and 2024/2025 Agency Budget

(expressed in millions)

	Actual Per ACFR	Actual Per ACFR	Adj Auth Budget Forecast	Budget Agency	Budget Agency
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Undesignated Fund Balance, July 1 (Budgetary)</b>	\$ 63.7	\$ 69.9	\$ 147.8	\$ 120.0	\$ 91.5
<b>Additions:</b>					
Unrestricted Revenue					
Gasoline Tax	118.4	124.1	124.3	125.0	125.6
Motor Vehicle Fees (actual includes Plea by Mail / Real ID)	130.0	133.3	133.4	133.6	133.5
Other	0.5	0.8	0.2	0.2	0.2
Less: Cost of Collection, net of lapse-DOS	(27.1)	(26.2)	(31.2)	(31.2)	(31.2)
Other Credits (FY21 \$8.1M and FY22 \$50M transfer per HB2 of 2021 session)	8.1	50.0	-	-	-
<b>Total Additions</b>	<b>229.9</b>	<b>282.0</b>	<b>226.7</b>	<b>227.6</b>	<b>228.1</b>
<b>Deductions:</b>					
Appropriations Net of Estimated Revenues-DOT	(230.5)	(190.5)	(224.6)	(232.8)	(232.8)
Appropriations Net of Estimated Revenues-DOS/Other	(34.3)	(35.5)	(38.8)	(38.8)	(38.8)
Misc Budget Adjustments (DoIT and pay raise)	-	-	(2.8)	-	-
<b>Appropriations Net of Estimated Revenue SUBTOTAL</b>	<b>(264.8)</b>	<b>(226.0)</b>	<b>(266.2)</b>	<b>(271.6)</b>	<b>(271.6)</b>
<b>Additional Appropriations:</b>					
Transfer from Highway Surplus - Winter Maintenance RSA 228:12	(5.0)	(3.4)	-	-	-
Transfer from Highway Surplus - Winter Maintenance Retention Bonus	-	-	(4.3)	-	-
<b>Less Lapse:</b>					
Lapse-DOT	41.3	24.0	13.5	13.0	13.5
Lapse-DOS/Other	6.8	0.2	4.0	4.0	4.0
<b>Subtotal Lapse</b>	<b>48.1</b>	<b>24.2</b>	<b>17.5</b>	<b>17.0</b>	<b>17.5</b>
Other (Debits)	(2.0)	1.1	(1.5)	(1.5)	(1.5)
<b>Total Deductions</b>	<b>(223.7)</b>	<b>(204.1)</b>	<b>(254.5)</b>	<b>(256.1)</b>	<b>(255.6)</b>
<b>Current Year Activity</b>	<b>6.2</b>	<b>77.9</b>	<b>(27.8)</b>	<b>(28.5)</b>	<b>(27.5)</b>
<b>Total Fund Balance, June 30 (Budgetary)</b>	<b>69.9</b>	<b>147.8</b>	<b>120.0</b>	<b>91.5</b>	<b>64.0</b>
<b>GAAP and Other Adjustments</b>	<b>(34.6)</b>	<b>(36.1)</b>	<b>(22.5)</b>	<b>(25.0)</b>	<b>(25.0)</b>
<b>Undesignated Fund Balance, June 30 (GAAP)</b>	<b>35.3</b>	<b>111.7</b>	<b>97.5</b>	<b>66.5</b>	<b>39.0</b>

\* Per Committee of Conference surplus statement for enacted '22-23 budget; adjusted to reflect CAFR beginning budgetary surplus balance

Note: Budgetary balances and GAAP adjustments do not include bonds authorized/unissued.