



## CITY OF BANGOR

### **Testimony of David Little, Deputy Finance Director, City of Bangor before the Joint Standing Committee on Transportation**

#### **Regarding LD 917 "An Act Increasing Municipal Agent Fees for Motor Vehicle, All-terrain Vehicle, Snowmobile and Watercraft Registrations."**

Senator Diamond and Representative McLean and distinguished members of the Joint Standing Committee on Transportation:

I am David Little, Deputy Finance Director for the City of Bangor and I am here submitting testimony on their behalf in support of LD 917. We would also like to thank Senator Gratwick for presenting this bill.

The municipal agent fee for motor vehicle and inland fisheries and wildlife registrations is intended to defray the administrative costs incurred by municipalities when acting as an agent for the State. When the general public registers their motor vehicle, boat, ATV or snowmobile only a portion of that registration process is required to be completed at the local level. Namely the excise tax which stays within the community. Recognizing the steadily increasing number of registrations and overwhelming cost and administrative burden the State would have to incur to complete these registrations; a partnership was created between the State and local municipalities. First with motor vehicles in the late 70's and then with IFW in the late 80's.

That agreement allowed a municipality to elect to become an agent for the State and complete the entire registration process. Municipalities recognized that offering this service was a significant convenience for our taxpayers but that it also came with a cost. Being an agent requires a municipality to maintain inventory of plates, stickers and forms; process the registrations using our own equipment, our own supplies, reconcile and send reports on both a weekly and monthly basis as well as pay to send staff to required State training. The agent fee was established to help defray that cost. The benefit to the State is fairly straight forward, keeping bodies out of the State offices.

Yet over time the number of registrations have steadily increased, the variety of available plates has increased, the transactions have become more complex and technology changes have required new equipment; but the agent fees remained stagnant.

A few years ago the Bureau of Motor Vehicle provided information that of the 1.5 million vehicle registrations; 80% are completed at the local level with some communities completing as many as 90%. That equates to over 1.2 million transactions taken out of just the motor vehicle offices.

The current rates for motor vehicle transactions; \$3.00 and \$4.00 (if new) have been in place since 1991 and the recreational vehicle rates; \$1.00 and \$2.00 (if new) since 1995.

Opponents of this bill may argue that an increase in agent fees will put undue burden on users yet during the decades that the agent fees remained unchanged the State registration fees have increase

dramatically. The motor vehicle registration fee has increased four times and some recreational vehicle registrations have more than tripled. In fact, there are bills this session calling for yet another increase the registrations fees for boats, snowmobiles and ATVs.

These registration fees are set, they have no leeway. Agent fees, however, are a “no more than fee” and optional. Municipalities can charge a lower fee than the maximum allowed if they chose to and the end user can opt out of the fee by not completing their registration at the local level.

The fact remains that the cost to municipalities to perform work for and to the benefit of the State is increasing and being passed onto the local taxpayer. For some communities the end result may be that they opt out of being a State agent and start sending all registrants to State Offices.

Thank you for your time and consideration and we encourage you to vote “Ought to Pass” when the time comes.

For additional information, please feel free to contact any of the following municipal officials:

Sarah Nichols, Council Chair	<a href="mailto:sarah.nichols@bangormaine.gov">sarah.nichols@bangormaine.gov</a>	991-1531
Catherine Conlow, City Manager	<a href="mailto:cathy.conlow@bangormaine.gov">cathy.conlow@bangormaine.gov</a>	992-4201
David Little, Deputy Finance Director	<a href="mailto:david.little@bangormaine.gov">david.little@bangormaine.gov</a>	992-4289