

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

---

sHB-5465

AN ACT CONCERNING THE TOWING AND STORAGE OF MOTOR VEHICLES.

---

## ***OFA Fiscal Note***

### ***State Impact:***

| <b>Agency Affected</b>         | <b>Fund-Effect</b>     | <b>FY 27 \$</b> | <b>FY 28 \$</b> |
|--------------------------------|------------------------|-----------------|-----------------|
| Department of Motor Vehicles   | TF - Potential Cost    | None            | At least 50,000 |
| Department of Revenue Services | Various - Revenue Gain | Minimal         | Minimal         |

Note: TF=Transportation Fund; Various=Various

***Municipal Impact:*** None

### ***Explanation***

The bill results in the following fiscal impacts noted below.

**Section 1** results in a potential cost to the Department of Motor Vehicles (DMV) of at least \$50,000 in FY 28 to create an electronic towed vehicle portal. It is expected that a portal as described in the bill would cost at least \$50,000 to develop; however, according to DMV, development of this portal is expected to be completed as part of its ongoing modernization efforts and therefore may be completed within available resources.

**Sections 2 - 4** result in a minimal sales tax revenue gain to the state by requiring DMV to establish a surcharge for police-ordered towing of electric vehicles (EVs) and a separate EV storage rate. The actual revenue gain will depend upon the rates adopted by DMV which, under the bill, must take into consideration the operational risks associated with towing and storing EVs. Towing services are subject to the state's

Primary Analyst: PM  
Contributing Analyst(s): EW  
Reviewer: MM

4/7/26

sales tax.<sup>1</sup>

The remaining sections of the bill are technical, conforming, within agency expertise, or other not expected to have a fiscal impact.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to any maintenance costs associated with the towing portal and any rate adjustments.

---

<sup>1</sup> By statute, 0.5 percentage points of the 6.35 percent rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Fund (0.5 percentage points each). The remaining 5.35 percentage points (or 84.25%) is deposited into the General Fund.