

Department of the Secretary of State Bureau of Motor Vehicles

Catherine Curtis

Deputy Secretary of State

JOINT STANDING COMMITTEE ON TAXATION

L.D 15 "An Act to Eliminate the Excise Tax on Camper Trailers"

Testimony Provided by Shenna Bellows

Maine Secretary of State

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Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation, my name is Shenna Bellows. I am they Secretary of State and a resident of Manchester. Thank you for the opportunity to provide testimony Neither for Nor Against L.D. 15 "An Act to Eliminate the Excise Tax on Camper Trailers" but to provide you with relevant information that you may find helpful as you consider this bill.

There are 14,699 camper trailers registered in the State of Maine. The Bureau of Motor Vehicles (BMV) captures the amount of tax paid on the registration form and then we calculate the tax for the following year which is returned either by paper or an electronic system to the town. Last year municipalities collects \$3,263,790 in excise tax on these vehicles.

As you know, when a vehicle is registered, the registrant pays excise tax in the town in which they reside. When the town collects the excise tax on vehicles, they complete the required registration form. They can then opt to finalize the registration by collecting the state fees and other related documents and sending the data and forms to BMV, or the town can opt to only collect the excise tax. In these cases, the registrant must take proof the excise tax was paid to BMV and register the vehicle in one of our offices. However, 80% all registrations are processed in town offices. These offices use a computer system provided by 1 of 3 vendors the Bureau of Motor Vehicles has approved to process registrations. The towns pay for this software and any upgrades to them. Therefore, when changes are made to the excise tax and/or registration requirements, the vendors charge the towns a fee to modify their software.

This bill will not only eliminate the excise tax, which creates a funding gap for the towns, but they may also be required to pay to upgrade their computer systems if this bill is approved. There will also be a fiscal note attached to the bill as BMV will also encounter costs to upgrade our computer system to make the necessary modifications to indicate camper trailers are tax-exempt.

Thank you for your time and I would be happy to answer your questions.