

MEMORANDUM

TO: John Valentine, Tax Commission Chairman
Scott Smith, Tax Commission Executive Director

FROM: Monte D. Roberts, DMV Director

DATE: Jun 4, 2024

SUBJECT: Division of Motor Vehicles (DMV) Mailing Cost Fee Increase Request

In the Commission Meeting on August 24, 2023, the commission approved an increase to the mailing cost fee up to \$10.00 but set the collection rate the DMV would collect at \$5.68. Since then, mailing costs have continued to increase and we need approval to raise the approved set amount above the current collection rate of \$5.68. The approval in August of 2023 was largely due to under-collecting the mailing costs for the shipment of plates and month/year decals. At this time the DMV is requesting approval to set the DMV mailing cost collection rate at \$7.75 as listed below:

- Current Approved Mailing Cost Fee Approved = Up to \$10.00
- Mailing Cost Fee Requesting to Collect = \$7.75

Note: The mailing cost fee is primarily based on a rate sufficient to cover the costs of mailing license plates and month/year decals to DMV customers. As the DMV continues to increase its online services (i.e., REX, Utah Person-to-Person (UPP), and virtual appointments), and as DMV customers increasingly utilize these services, an up-to-date mailing cost fee is needed to offset these increasing costs. Additionally, given the uncertain economic climate such as inflation and increases in USPS postal rates, future periodic adjustments may be required to ensure we continue collecting at the going rate of mailing costs.

In conclusion, the DMV requests approval to present a mailing cost fee increase at the Tax Commission's June 13, 2024, public hearing in anticipation of making this update to VADRS as soon as possible. Thank you for considering approving this request.

Respectfully,

Monte D. Roberts

Monte D. Roberts
DMV Director