New York State Comptroller
THOMAS P. DiNAPOLI

Department of Motor Vehicles

Assessable Expenses of Administering the Motor Vehicle Financial Security Act and the Motor Vehicle Safety Responsibility Act for the State Fiscal Year Ended March 31, 2025

July 2026 | Report 2025-M-3

Prepared by the Division of State Government Accountability

Contents

Independent Practitioner's Report on Applying Agreed-Upon Procedures

June 17, 2026

Christian Jackstadt
Acting Commissioner
Department of Motor Vehicles
6 Empire Plaza
Albany, NY 12228

Dear Mr. Jackstadt:

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. The Office of the New York State Comptroller (OSC) is the practitioner, and the Department of Motor Vehicles (DMV) is the engaging party. DMV is responsible for the subject matter of this engagement, the purpose of which was to ascertain the expenses to administer the Motor Vehicle Financial Security Act and the Motor Vehicle Safety Responsibility Act (collectively, Acts).

The Acts help ensure that the operators of motor vehicles driven in New York State possess adequate insurance coverage, or are financially secure, to compensate those persons they might injure or whose property they might damage as a result of an accident. According to Article VI, Section 317 and Article VII, Section 363 of the Vehicle and Traffic Law, DMV is responsible for tracking the expenses of administering the Acts and assessing these expenses on insurance carriers that issue policies or contracts of automotive bodily injury insurance.

We have performed the procedures enumerated below related to ascertaining the expenses to administer the Acts for the State Fiscal Year (SFY) ended March 31, 2025. DMV has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of ascertaining the total expenses incurred in administering the Acts for the SFY ended March 31, 2025.

This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings, are as follows:

1. Procedure: We inspected the list of Assessable Expenses prepared by DMV for the SFY ended March 31, 2025 (List). We determined if any categories of expenses were inappropriately included in or excluded from the List.

Finding: As a result of applying this procedure, we identified $1,089,943 in capital expenses for 35 departments related to the Dedicated Bridge and Highway Program that were inappropriately included (assessed as "partially assessable" instead of "not assessable") in the List.

2. Procedure: We inquired about any expenses that could not be confirmed, or that may have been inappropriately included in or excluded from the List.

   Finding: As a result of applying this procedure, we identified:

   - $14,119 in personal service expenses (salary) related to Compulsory Insurance Services that were inappropriately excluded from the List.
   - $152 ($1,485-$1,333) in personal service expenses (salary) related to the Dedicated Bridge and Highway Program that were inappropriately excluded from the List.

3. Procedure: We confirmed the appropriateness of the fringe benefit and indirect cost rates used by DMV.

   Finding: We did not identify any exceptions as a result of applying this procedure.

4. Procedure: We inspected the comparative analysis prepared by DMV and determined whether the calculations were mathematically correct and whether the explanations for the variances were sufficient.

   Finding: We did not identify any exceptions as a result of applying this procedure.

5. Procedure: We notified DMV of any issues identified with respect to DMV's calculations of expenses, explanations of variances, justification for the cost rates, or any other related matters.

   Finding: As a result of applying this procedure, we identified incorrect amounts, as follows:

   - An excess of $2,573,249 ($1,331+$1,784,048+$787,870) that was included in DMV's calculations for partially assessable expenses related to administering the Acts.
   - An excess of $678,613 in fringe benefit and indirect costs that was included in DMV's calculation of expenses.
   - A computation error that resulted in an excess of $132,942 in capital expenses for the Contracts–Agency-Wide Department related to the Dedicated Bridge and Highway Program.

As a result of applying the above procedures, we identified a net decrease of $4,460,477 to DMV's Statement of Assessable Expenses for the SFY ended March 31, 2025. Table 1 presents the original and adjusted net assessable expenses. Table 2 presents a summary of the above adjustments.

Table 1
Original and Adjusted Net Assessable Expenses

State Fiscal Year Ended	Original Net Assessable Expenses	Adjusted Net Assessable Expenses	Net Adjustment Increase or Decrease
March 31, 2025	$36,905,588	$32,445,111	-$4,460,477

Table 2
Summary of Adjustments, SFY Ended March 31, 2025

Adjustment Description	Amount
Compulsory Insurance Services – Adjustment for personal service expenses (salary) inappropriately excluded from the List	**$14,119**
Dedicated Bridge and Highway Program – adjustment for expenses assessed as “partially assessable” instead of “not assessable”	-$1,089,943
Dedicated Bridge and Highway Program – adjustment for personal service expenses (salary) inappropriately included in the List	-$1,333
Dedicated Bridge and Highway Program – adjustment for personal service expenses (salary) inappropriately excluded from the List	$1,485
Dedicated Bridge and Highway Program – adjustment for a computation error related to Contracts–Agency Wide expenses	-$132,942
Dedicated Bridge and Highway Program – Net Adjustment for expenses inappropriately included in or excluded from the List	**-$1,222,733**
Adjustment to Internet Point and Insurance Reduction Program for Partially Assessable Expenses (0.85% decrease)	-$1,331
Adjustment to Dedicated Bridge and Highway Program for Partially Assessable Expenses (0.85% decrease)	-$1,784,048
Adjustment to Fringe Benefit and Indirect Costs for Partially Assessable Expenses (0.85% decrease)	-$787,870
Net Adjustment for Partially Assessable Expenses	**-$2,573,249**
Adjustment to Fringe Benefit and Indirect Costs due to salary adjustments	**-$678,613**
Net Total Adjustment	**-$4,460,477**

Notes:

1. Previously applied adjustments resulted in a 0.85% decrease in the rate used to allocate Partially Assessable Expenses. That decrease resulted in reductions in Partially Assessable Expenses for the Internet Point and Insurance Program, the Dedicated Bridge and Highway Program, and Fringe Benefit and Indirect Costs.
2. For the net total adjustment: due to rounding, the sum of the individual adjustments is -$4,460,476, a difference of $1.

6. Procedure: We confirmed that the written Statement of Assessable Expenses provided by DMV for the SFY ending March 31, 2025 correctly reflects resolution of any identified issues. We present this statement as Exhibit A of this report.

   Finding: We did not identify any exceptions as a result of applying this procedure.

We conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards, which incorporate attestation standards established by the American Institute of Certified Public Accountants. We applied sampling techniques in this engagement. We judgmentally selected $1,310,799 of the $7,096,546 unadjusted fully assessable personal service expenses, $38,742 of the $709,015 unadjusted fully assessable non-personal service expenses, and $905,579 of the $77,940,653 unadjusted partially assessable non-personal service expenses to determine if the expenses were appropriately included in the List. The results from our sample selections cannot be projected to the population. For reporting purposes, we excluded variations between DMV's and our calculations that were due to rounding. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the total expenses incurred in administering the Acts for the SFY ended March 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported.

We are required to be independent of DMV and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Office of the New York State Comptroller
Division of State Government Accountability
Albany, New York

Exhibit A

Department of Motor Vehicles
Motor Vehicle Financial Security Act and Motor Vehicle Safety Responsibility Act
Statement of Assessable Expenses for SFY Ended March 31, 2025

Expenses	Amount
Direct Expenses:	
Internet Point and Insurance Reduction Program	$9,442
Compulsory Insurance Services	$8,730,881
Dedicated Bridge and Highway Program	$12,724,898
Total Direct Expenses	**$21,465,221**
Fringe Benefit and Indirect Costs	$11,132,887
Gross Assessable Expenses	**$32,598,108**
Less: Fees Paid by Self-Insurers	-$152,994
Fees Paid for Bonded Vehicles	-$3
Net Assessable Expenses	**$32,445,111**

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