

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Transportation**
(DLS Control No. 15-235)

Overview and Legal and Fiscal Impact

These regulations decrease fees by the Motor Vehicle Administration for the processing of applications for (1) a corrected vehicle title; (2) an identification card for a homeless individual; (3) certain business licenses; and (4) using the vehicle emissions inspection kiosk.

The regulations present no legal issues of concern.

Transportation Trust Fund (TTF) revenues decrease by about \$306,000 annually due to the proposed reductions in fees.

Regulations of COMAR Affected

Department of Transportation:

Motor Vehicle Administration – Administrative Procedures: Motor Vehicle Fees:
COMAR 11.11.05.02, .03, .05, and .06

Legal Analysis

Background

On September 15, 2015, Governor Larry Hogan announced a plan to reduce or eliminate a number of fees across State government. These regulations are part of that plan. Additional information regarding Governor Hogan’s fee reduction initiative may be found [here](#).

Summary of Regulations

Regulation .02 reduces the fee for processing an application for a corrected vehicle title certificate from \$50 to \$40.

Regulation .03 establishes a new reduced fee of \$1 for the issuance of a new or corrected identification card to a homeless individual presenting documentation in accordance with COMAR 11.17.21.05A(5) which provides for an exception process for an applicant who is unable to comply with the Maryland residency source document requirements.

Regulation .05 provides for a 10% reduction in the following regulatory business license fees:

New car dealer	Reduced from \$250 to \$225
Used car dealer	Reduced from \$250 to \$225
Motorcycle dealer	Reduced from \$150 to \$135
Trailer dealer	Reduced from \$150 to \$135
Trailer dealer – trailers less than 15 in length or boat trailers	Reduced from \$50 to \$45
Automotive dismantler and recycler	Reduced from \$200 to \$180
Scrap processor	Reduced from \$200 to \$180
Factory branch	Reduced from \$1000 to \$900
Manufacturer or distributor fee based on number of vehicles transferred to dealers during previous license year:	
1-50 vehicles	Reduced from \$100 to \$90
51-500	Reduced from \$300 to \$270
501-10,000	Reduced from \$500 to \$450
Over 10,000 vehicles	Reduced from \$1000 to \$900
Wholesale dealer	Reduced from \$250 to \$225
Vehicle salesperson	Reduced from \$75 to \$67.50
Title service agent	Reduced from \$62.50 to \$56.25
Drivers' school license application fee	Reduced from \$200 to \$180
Drivers' school or branch license (includes 2-year renewal)	Reduced from \$150 to \$135
Driving instructor's license (2-year renewal)	Reduced from \$150 to \$135

Regulation .06 reduces the vehicle emissions inspection kiosk fee from \$14 to \$10.

Legal Issue

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Transportation cites §§ 12-104(b), 12-301, 13-118, 15-204, 15-307, 15-406, 15-505, 15-603, 15-703, 15-704, 15-805, and 23-207 of the Transportation Article as statutory authority for the regulations. Section 12-104(b) grants the administration broad authority to adopt regulations to carry out provisions of law within its purview. Section 23-207 grants the administration broad authority to adopt regulations relating to the Motor Vehicle Emissions Inspection program. The remaining cited authority requires the administration to establish fees for (1) the issuance of identification cards (§ 12-301); (2) the issuance of a corrected certificate of title (§ 13-118); (3) a factory branch and a manufacturer or distributor

based on the combined number of new motor vehicles, new two-stage vehicles, and truck component parts transferred by the manufacturer or distributor to dealers in the State (§ 15-240); (4) the issuance of a dealer license (§ 15-307); (5) the issuance of a vehicle salesmen's license (§ 15-406); (6) the issuance of an automotive dismantler and recycler or scrap processor license (§ 15-505); (7) the issuance of a title service agent license (§ 15-603); (8) an application for a drivers' school license (§ 15-703); (9) the issuance of a drivers' school license (§ 15-704); and (10) the issuance of a driving instructor's license (§ 15-805).

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

Transportation Trust Fund (TTF) revenues decrease by about \$306,000 annually due to the proposed reductions in fees.

Agency Estimate of Projected Fiscal Impact

The department advises that the proposed fee reductions reduce TTF revenues by about \$306,000 annually. This estimate is based on the actual revenue obtained from these fees in fiscal 2015. **Exhibit 1** shows the current and proposed fees as well as the estimated revenue loss for each fee on an annual basis even though certain fees are only collected as appropriate, while others are annual or biennial. With limited exceptions (homeless identification cards and emission kiosks), the proposed fees reflect a 10% reduction from the current fees. The Department of Legislative Services concurs and notes that the regulations will likely only be effective for half of fiscal 2016, mitigating the TTF revenue loss in that year only.

Impact on Budget

There is no impact on the State operating or capital budget. TTF has a sufficient fund balance to cover its operating and capital expenditures.

Agency Estimate of Projected Small Business Impact

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Service concurs.

Exhibit 1
Proposed Regulations 11.11.05.02-.06
Department of Transportation
Annual Revenue Reductions

<u>Type of Fee</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Revenue Reduction</u>
Title Correction	\$50	\$40	\$116,270
Homeless ID Card (Age 18+)	24	1	25,760
Homeless ID Card (Younger than 18)	15	1	28
New Car Dealer	250	225	8,450
Used Car Dealer	250	225	21,300
Motorcycle Dealer	150	135	990
Trailer Dealer	150	135	2,040
Boat Trailer Dealer	50	45	10
Auto Recycler	200	180	440
Scrap Processor	200	180	4,680
Factory Branch	1,000	900	500
Manufacturer/Distributor	Varies	Varies	3,230
Wholesale Dealer	250	225	24,400
Vehicle Salesperson	75	67.50	65,870
Title Service Agent	62.50	56.25	2,363
Driver School – Application	200	180	1,420
Driver School – Renewal (2-year)	150	135	2,280
Driver Instructor (2-year)	150	135	6,195
Emission Kiosk (2-year)	14	10	19,710
		Total:	\$305,936

Source: Maryland Department of Transportation

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