

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Transportation**
(DLS Control No. 16-040)

Overview and Legal and Fiscal Impact

These regulations make clarifications and provide updates to reflect the most recent version of the International Registration Plan (IRP), a multijurisdictional fleet vehicle registration apportionment agreement.

The regulations present no legal issues of concern.

Special fund revenues for the Transportation Trust Fund (TTF) may increase minimally in fiscal 2016 and increase by \$1,041,602 annually beginning in fiscal 2017. TTF expenditures increase by \$15,000 on a one-time basis in either fiscal 2016 or 2017.

Regulations of COMAR Affected

Department of Transportation:

Motor Vehicle Administration–Vehicle Registration: Apportioned Registration of Fleet Vehicles: COMAR 11.15.22.03, .04, .05, .07 and .09 – .17

Legal Analysis

Background

The IRP is an agreement among 48 U.S. states, the District of Columbia, and 10 Canadian provinces that recognizes the registration of commercial motor vehicles registered by other jurisdictions. The IRP provides for the payment of an apportioned licensing fee that is based on the total distance operated in all member jurisdictions.

Commercial motor vehicles weighing more than 26,000 pounds, or having more than two axles either alone or in combination, and traveling into more than one jurisdiction are likely registered under the IRP. License fees are paid to the various jurisdictions in which the fleet vehicles are operated, but only one license plate and one cab card is issued for each fleet vehicle registered under the IRP. A fleet vehicle is known as an apportionable vehicle, meaning that, as far as registration is concerned, the fleet vehicle may be operated both interjurisdictionally and intrajurisdictionally. Without this type of license plate, a fleet vehicle does not have reciprocity to travel into neighboring jurisdictions and would need to obtain a temporary registration permit to travel outside their home jurisdiction.

Maryland officially became the thirty-seventh IRP jurisdiction on March 31, 1987.

Summary of Regulations

In addition to making clarifications, the regulations make numerous updates to reflect the most recent version of the IRP. Among other things, the regulations:

- update the list of current IRP member jurisdictions and conforms other regulations to reflect the update;
- define “average per-vehicle distance”, “vehicle-tracking system”, and “VIN” and repeal the definition for “chartered party”;
- update references to various required forms;
- change the methodology for providing mileage data in an application when no operations were conducted by the applicant in the previous year;
- provide that the State IRP registration period is staggered on a quarterly basis;
- repeal provisions authorizing the Administration to adjust the estimates of annual mileage in each jurisdiction in an application for specified reasons;
- repeal a requirement that an applicant provide copies of official ownership documents for vehicles not registered in the State;
- repeal provisions related to a registrant expanding operations during a registration year;
- repeal a specified 45-day validity for temporary authorization certificates and removes the requirement that applications for temporary authorization certificates be typewritten or completed in ink;
- alter the manner in which billing notices are provided to registrants;
- repeal the requirement for the Motor Carrier Services Section of the Administration to forward a copy of a registration application to specified jurisdictions;
- provide additional methods for a registrant to pay apportioned registration fees;
- alter the manner in which State mileage is calculated for determining registration fees;
- repeal provisions relating to estimating mileage;

- update record keeping requirements for records produced by a means other than a vehicle-tracking system and establish record keeping requirements for records created by a vehicle-tracking system;
- update the penalty for a failure to maintain required records by creating a tiered fine system with increasing penalties for repeated violations; and
- require the Administration to distribute, on a pro rata basis, funds collected from registrants that fail to properly maintain records to other jurisdictions in which the offending fleet is registered.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The Motor Vehicle Administration cites § 12-406 of the Transportation Article as statutory authority for the regulations. More specifically, § 12-406(a) authorizes the Motor Vehicle Administrator to enter into apportioned registration fee agreements with other jurisdictions and exempt vehicles registered under such an agreement operating in the State from paying full vehicle registration fees. Section 12-406(b)(1) provides that an apportionment agreement entered into by the Administrator may authorize a fleet owner to pay a registration, license, or other fee on an apportioned basis. Section 12-406(c) provides that the registration of fleet vehicles is subject to the rights, terms, and conditions granted by or contained in any applicable agreement, arrangement, or declaration made by the Administrator

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

Technical Corrections and Special Notes

In response to suggestions from the Department of Legislative Services, staff for the administration agrees to make the following changes:

- adopting the IRP definition for “audit” for greater clarification of requirements under the IRP; and
- defining “equipment number” for use in COMAR .16A(1)(b)(ix) to clarify record keeping requirements.

The Department of Legislative Services also notified staff for the administration that § 13-409 of the Transportation Article, regarding carrying a vehicle registration card while operating the vehicle, should be referenced in Regulation .13A(2).

Fiscal Analysis

Special fund revenues for the Transportation Trust Fund (TTF) may increase minimally in fiscal 2016 and increase by \$1,041,602 annually beginning in fiscal 2017. TTF expenditures increase by \$15,000 on a one-time basis in either fiscal 2016 or 2017.

Agency Estimate of Projected Fiscal Impact

Among other actions, the regulations implement the Full Reciprocity Plan (FRP) of the IRP. Based on a study authorized by the IRP which compared estimated IRP revenue before and after implementation of the FRP, the Motor Vehicle Administration estimates that State revenues increase by \$1,041,602 from implementation of the plan. Implementation of the FRP also results in increased expenditures due to computer reprogramming and other programmatic adjustments. The cost of the additional expenditures is \$15,000. The Department of Legislative Services concurs with these estimates.

Impact on Budget

TTF expenditures increase by \$15,000 in either fiscal 2016 or 2017, depending on whether necessary changes are implemented prior to or after July 1, 2016.

Agency Estimate of Projected Small Business Impact

The administration advises that the regulations have minimal or no economic impact on small businesses. The Department of Legislative Services concurs.

Contact Information

Legal Analysis: Jennifer L. Young – (410) 946/(301) 970-5350

Fiscal Analysis: Eric Pierce – (410) 946/(301) 970-5510