

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 463 (Senator Madden, et al.)

Judicial Proceedings

Referred to Commerce and Government Matters

**Incentive Program - Reporting Improperly Registered Motor Vehicles -
Employees of Local Law Enforcement Agencies**

This amended bill requires the Motor Vehicle Administration (MVA) to establish an incentive program to encourage local law enforcement officers to take enforcement action against improperly registered motor vehicles. The reward, 50% of excise taxes collected by the MVA on such vehicles, would be given to the local government entity that employs the law enforcement officer who issued the citation for the improperly registered vehicle.

Fiscal Summary

State Effect: Indeterminate increase in special fund revenues as discussed below. Any impact upon operations of the MVA can be absorbed within the budgeted resources of the MVA.

Local Effect: Indeterminate increase in revenues as discussed below. Expenditures would not be affected.

Fiscal Analysis

State Revenues: Offering an incentive of 50% of the excise taxes collected for the identification of vehicles subject to such taxes could motivate some political subdivisions to put forth additional efforts that would result in increased excise tax collections. This would be particularly true for municipal corporations where the potential revenue collected is significant with respect to the local budget as discussed below. In any event, the increase in State revenues cannot be reliably estimated at this time. For illustrative purposes, the MVA will collect \$50 for every \$1,000 of the vehicles value (5% excise tax). Of this \$50, half would remain with the Department of Transportation.

State Expenditures: The MVA would be required to account for the receipt of excise tax revenues that are derived through the assistance of local law enforcement personnel and to return 50% of such revenues to the local government responsible for the collections. Assuming that few political subdivisions would devote significant attention or resources towards the incentive, the MVA would not require additional resources to perform these functions.

Local Revenues: Washington and Worcester counties report that revenues could increase by a minimal amount without additional expenditures. The City of Brentwood estimates a first year revenue increase of \$7,500. On the other hand, Frostburg anticipates little, if any, additional revenues. Thus, it appears that certain municipal governments would be most motivated by the incentive.

Information Source(s): Department of Transportation; Montgomery, Washington, and Worcester counties; cities of Brentwood and Frostburg

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