## **Department of Fiscal Services**

Maryland General Assembly

#### FISCAL NOTE

House Bill 234 (Delegate Hecht, et al.) Commerce and Government Matters

#### **Vehicle Laws - Commemorative Registration Plates - Education**

This bill authorizes the Motor Vehicle Administration (MVA) to issue a second commemorative license plate in addition to the current commemorative Chesapeake Bay plate. The bill authorizes the MVA to disburse revenue collected for such plates to local government entities and adds education as a potential theme for the plate.

### **Fiscal Summary**

**State Effect:** Special fund revenues and expenditures could increase by equivalent amounts as discussed below.

**Local Effect:** Potential indeterminate revenue increase as discussed below. Expenditures would not be affected.

# **Fiscal Analysis**

**State Revenues:** Currently, there is a \$20 fee for Bay commemorative plates, from which the MVA retains \$8 for cost recovery. The remaining revenue is remitted to the Chesapeake Bay Trust. Current law provides that surplus funds for the authorized commemorative plate should be disbursed by the MVA to a nonprofit organization (e.g., the Chesapeake Bay Trust). This bill authorizes such surplus funds also to be disbursed to a local government entity that is closely related to the theme of the commemorative plate. Thus, any excess revenue would not accrue to the State general or special funds.

**State Expenditures:** The MVA advises that \$84,000 in data processing expenditures would be required to accommodate the addition of a second commemorative plate. Such costs would be recovered as discussed above. The level of interest that could be generated by a second commemorative plate cannot be reliably estimated at this time.

**Local Revenues:** Because this bill authorizes the MVA to disburse revenue from commemorative plates to a local government entity, local government revenues could increase under the bill. However, any such increase would depend upon the number of commemorative plates sold. The MVA would determine the recipient, which could be a local government.

**Information Source(s):** Department of Transportation (Motor Vehicle Administration), Department of Fiscal Services

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Analysis by: Paul Ballou Direct Inquiries to:

Reviewed by: John Rixey John Rixey, Coordinating Analyst

(410) 841-3710 (301) 858-3710