

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 24 (Delegate Campbell)  
Commerce and Government Matters

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**Vehicle Laws - All-Terrain Vehicles**

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This bill requires all-terrain vehicles (ATV) to be registered with the Motor Vehicle Administration (MVA). The bill requires the MVA to establish the amount of the registration fee and to retain a portion of the registration revenues to recover its administrative costs. The remaining revenues must be credited to the State's general fund.

The bill authorizes the Department of Natural Resources (DNR) to acquire, designate, develop, and manage recreational areas within which ATVs may be operated. The bill also requires DNR to provide ATV educational and safety programs on land so acquired or designated.

The bill is effective January 1, 1998.

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**Fiscal Summary**

**State Effect:** General fund revenues could increase by an estimated \$46,300 in FY 1998. Special fund revenues and expenditures could both increase by \$5,000, resulting in a zero net special fund fiscal effect. The FY 1998 estimates reflect the bill's January 1, 1998 effective date. Out-year estimates reflect annualization and 2% inflation. In addition, there is the potential for an increase in DNR expenditures and revenues depending on the level of any services provided and any fees imposed.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$46,300	\$82,300	\$82,100	\$81,900	\$81,700
SF Revenues	5,000	10,200	10,400	10,600	10,800
SF Expenditures	5,000	10,200	10,400	10,600	10,800
Net Effect	\$46,300	\$82,300	\$82,100	\$81,900	\$81,700

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds*

**Local Effect:** None. Repealing the authority of local governments to regulate "off-the-road

motorcycles” and minibikes would not materially affect local government finances.

**Small Business Effect:** Minimal effect on small businesses as discussed below.

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### **Fiscal Analysis**

**State Effect:** It is reported that approximately 1,300 ATVs were sold in Maryland in 1994. The Department of Fiscal Services estimates that consumer interest and sales have declined over the past ten years. This analysis, therefore, assumes that 5,000 vehicles would be registered annually under this bill. Due to the bill’s January 1, 1998 effective date, 2,500 vehicles are assumed to be registered in fiscal 1998.

Assuming an \$18.50 registration fee, in fiscal 1998 State special fund revenues would increase by \$5,000 and State general fund revenues would increase by \$46,300 (2,500 x \$18.50). Future year revenues reflect full years and 2% annual increases in administrative costs.

It is estimated that the MVA expenditures would increase by \$2 per registration issued. Thus, special fund expenditures could increase by an estimated \$5,000 in fiscal 1998, which reflects the January 1, 1998 effective date. Out-year expenditures reflect full years and 2% annual increases to account for inflation.

The MVA advises that reprogramming expenditures could increase by an estimated \$25,000 to program the changes proposed in this legislation. The Department of Fiscal Services advises that if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the MVA system.

Under the provisions of the bill, DNR could potentially be required to provide educational and safety programs related to the operation of ATVs and to manage some recreational areas for ATV use. Depending on the level of any services provided and whether cost recovery fees are imposed, DNR may require additional resources to manage recreational areas for ATV use and provide educational and safety programs. Any such effect cannot be reliably estimated at this time.

**Small Business Effect:** Assuming that a fee of \$18.50 would be imposed for registering ATVs, the additional cost could result in a small decrease in sales of ATVs which would negatively impact ATV dealers. There are approximately 30 recreational vehicle dealers and all are small businesses. These dealers would have to establish administrative procedures to handle the registration requirement. Such procedures could require additional expenditures in an amount that cannot be reliably estimated at this time, however, such expenditures are assumed to be minimal.

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**Information Source(s):** Department of Natural Resources; Department of Transportation (Motor Vehicle Administration); Department of Fiscal Services; Baltimore, Charles, Montgomery, Prince George's, and Somerset counties

**Fiscal Note History:** First Reader - January 13, 1997  
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