

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 56 (Delegate Owings, *et al.*)
Commerce and Government Matters

Vehicle Laws - Motorcycle Helmets - Minors

This bill provides that motorcycle helmet laws apply only to minors. Current law requires everyone riding or operating a motorcycle to wear a helmet.

Fiscal Summary

State Effect: Based on the number of motorcycle injury related hospitalizations per year prior to the enactment of the “all-rider” helmet law, general fund expenditures could increase by an estimated \$291,000 and federal fund revenues could increase by an estimated \$145,500 in FY 1998. Out-years reflect annualization and medical cost inflation.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
FF Revenues	\$145,500	\$203,000	\$212,600	\$222,600	\$233,000
GF Expenditures	291,000	406,000	425,100	445,100	466,000
Net Effect	(\$145,500)	(\$203,000)	(\$212,500)	(\$222,500)	(\$233,000)

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

Local Effect: None.

Small Business Effect: Minimal effect on small businesses to the extent that individuals who purchase motorcycles decide not to purchase a helmet. The majority of motorcycle dealers are small businesses.

Fiscal Analysis

State Effect: General fund expenditures could increase for injured motorcyclists who are Medicaid recipients. The average medical cost for Medicaid recipients treated for motorcycle related head injuries is \$27,700 per patient. The Department of Health and Mental Hygiene

advises that there were approximately 100 more motorcycle injury related hospitalizations per year prior to the enactment of the “all-rider” helmet laws, 14 of which involved Medicaid recipients. Under current law, 50% of any additional Medicaid expenditures are reimbursable by federal funds. Accordingly, it is estimated that general fund expenditures could increase by \$291,000 and federal fund revenues could increase by 145,500 in fiscal 1998, which reflects the bill’s October 1 effective date. The out-years reflect revenues and expenditures for full fiscal years and medical cost inflation of 4.7%. However, Congress is considering legislation that may cap the amount of funds that states receive under Medicaid. As a result, it’s possible that any additional Medicaid expenditures will be funded entirely with general funds.

State expenditures could also increase as a result of motorcyclists who sustain brain injuries and who become clients of the Developmental Disabilities Administration. Such expenditures cannot be reliably estimated at this time.

Information Source(s): Department of Health and Mental Hygiene, Department of Transportation, Department of Fiscal Services

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