

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 956 (Delegate Jacobs, *et al.*)
Commerce and Government Matters

Camden Yards Football Stadium - Special Vehicle Registration Plate

This bill creates a new vehicle registration plate for the Baltimore Ravens Professional Football Team. An individual applying for the plate must pay a \$50 fee in addition to the annual registration fee and the amount to cover the administrative costs of issuing such plates. The Motor Vehicle Administration (MVA) must transfer the \$50 fee to the Maryland Stadium Facilities Fund; the fees collected are to be used to offset any deficiency in State lottery revenues for the construction of the football stadium and for the general benefit of the stadium after the construction is complete.

Fiscal Summary

State Effect: Indeterminate increase in special fund revenues and expenditures.

Local Effect: None.

Small Business Effect: None. The bill would not directly impact small businesses.

Fiscal Analysis

Background: Recent reports indicate that revenues from sports-related lottery games are falling short of projections, especially the multi-state Big Game. Proceeds from the Big Game and from a series of instant games are currently being directed to the Stadium Authority. These games have generated only \$13.3 million during the first six months of fiscal 1997, on pace for a \$26.6 million annual total. The stadium financing plan calls for \$32 million in lottery revenues in each of fiscal 1997, 1998, and 1999. However, the Lottery Agency has considerable latitude in designating games to benefit the Stadium Authority, so it cannot be concluded that the revenues will finish the year short of the goal.

State Effect: It is assumed that the fee of \$50 will be assessed annually since it is to be paid

in addition to the annual registration fee. Therefore, individuals would pay \$100 every two years when they renew their registrations. This is unlike the Chesapeake Bay Plates, which have a \$20 one-time fee rather than an annual fee. However, it is similar to vanity plates which cost \$25 per year (\$50 per registration cycle). It is also assumed for the purposes of this note that the \$50 fee would transfer to the Maryland Stadium Facilities Fund even if there is no deficiency in State lottery revenues during the construction period.

A minimum of 4,000 registration plates must be ordered when a new series of plates is issued. The MVA estimates that the cost of production will be \$15 per set; this estimate is based on the design and production costs associated with the Bay Plate which originally cost \$10 to produce and dropped to \$8 once sufficient numbers were made. MVA assumes that a Ravens plate will be a complicated design, thus the \$15 cost. The actual cost could vary between \$10 and \$15 depending upon the complexity of the design chosen. The total cost for the initial series of 4,000 plates at \$15 per set would be \$60,000. The bill allows MVA to charge an additional fee to cover administrative expenses associated with the plates; MVA advises that this would be a \$15 one-time fee to cover production costs.

The number of individuals that would elect to purchase a Ravens Plate cannot be predicted at this time. The Maryland Stadium Authority advises that 50,000 individuals hold Ravens season tickets. For illustrative purposes, when MVA began issuing Bay Plates in 1991, 302,893 were issued between December 24, 1991 and December 27, 1992. Should 5% of this total elect to purchase a Ravens Plate, the number issued would be 15,145; this would be 30% of current season ticket holders. This would result in \$757,250 in fee revenues for the Maryland Stadium Facilities Fund annually.

The MVA advises that computer programming expenditures could increase by an estimated \$82,200 to modify the computer programs as proposed in this legislation. The Department of Fiscal Services (DFS) 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. Further, DFS advises that the increased computer expenditure is simply an estimate and the MVA may be able to handle the changes with either less money than it estimates or existing resources. In addition, it is possible that some of these costs could be reflected in a higher fee amount charged by MVA to recoup administrative costs.

Information Source(s): Maryland Department of Transportation (Motor Vehicle Administration), Maryland Stadium Authority, Department of Fiscal Services

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