

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 647 (Delegate Benson)
Commerce and Government Matters

Vehicle Laws - Improperly Registered Motor Vehicles - Law Enforcement Incentive Program

This 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.

The bill is effective January 1, 1998.

Fiscal Summary

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

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

Small Business Effect: None. This bill would not directly affect small businesses.

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.

In any event, the increase in State revenues cannot be reliably estimated at this time because

it is based on the assessed value of each improperly registered vehicle that may be given a citation pursuant to this bill. 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. As a point of reference, there were 323 violations of improperly registered vehicles statewide in fiscal 1996.

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. The MVA advises that computer programming expenditures could increase by an estimated \$11,900 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.

Local Revenues: Baltimore City, Charles, Frederick, Montgomery, and Prince George's counties report that revenues could increase by a minimal amount without additional expenditures. The total increase in local revenues cannot be reliably estimated at this time.

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

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