Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 39 (Delegates Elliott and Brinkley)
Commerce and Government Matters — Referred to Judicial Proceedings

State Police - Equipment for Local Law Enforcement

This amended bill provides that when a contract for local policing by the State Police in a local jurisdiction is terminated, the State Police must reimburse the local jurisdiction for the depreciated value of the motor vehicles used by the resident troopers. The value of the vehicles must be depreciated, in a specified manner, over a five-year period from the date the vehicles were put into service.

In addition, the bill provides that if at least eight resident troopers are assigned to the local jurisdiction pursuant to an agreement for local policing, the local jurisdiction must give at least five years notice of an agreement to terminate services, and the number of troopers must be phased out over five years. The Department of State Police and the local jurisdiction are allowed to modify the manner in which services are terminated.

Fiscal Summary

State Effect: Potential increase in general fund expenditures, as discussed below. Revenues would not be affected.

Local Effect: Potential revenue increases for Carroll County as discussed below. Expenditures would not be affected.

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

Fiscal Analysis

State Expenditures: If a resident trooper agreement is terminated after October 1, 1997, the State Police must reimburse the county or municipal corporation for the value of motor vehicles (including radios and light bars). Although the depreciation formula for determining that value is contained in the bill, the cost to the State Police would vary, and would depend upon the age of the vehicle, inflation, and the number of vehicles used under the contract being terminated.

However, the current agreement between Carroll County and the State Police is the only existing agreement where there are more than seven resident troopers and thus subject to the five-year notice and phase-out provisions of the bill. There are 45 resident troopers with vehicles operating under that agreement.

Accordingly, assuming that the Carroll County agreement were to be terminated, and that a five-year phase out would be spread evenly, the State Police would have to reimburse the county for nine vehicles per year. If the termination were to begin in fiscal 1998, the replacement value for a new vehicle is estimated at $20,000. If all nine vehicles being phased out in fiscal 1998 were one year old, the depreciation/reimbursement value would be $144,000 (@ 80% of a new vehicle). If new vehicle purchase costs inflate by 3% annually thereafter, the phase out reimbursements for the remaining 36 vehicles would be as follows:

Fiscal 1999 (nine 2-year old vehicles @ 60%)	$111,240	
Fiscal 2000 (nine 3-year old vehicles @ 40%)	76,385	
Fiscal 2001 (nine 4-year old vehicles @ 20%)	39,338	
Fiscal 2002 (nine 5-year old vehicles @ 0%)	0	
Subtotal	$226,963	
Fiscal 1998		144,000
TOTAL	**$370,963**	

The State Police reports that these reimbursements would be paid out of existing appropriations for motor vehicle replacements.

Local Effect: Under this bill, if the resident trooper program for Carroll County were to be terminated, the county would receive additional revenue in the form of reimbursement payments from the State Police as described above.

Information Source(s): Department of State Police, Carroll County, Dorchester County, Baltimore County, Garrett County, Department of Fiscal Services

Fiscal Note History:	First Reader - January 17, 1997
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