

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 924 (Delegate Rudolph)

Commerce and Government Matters

Motor Vehicles - Staggered Registration System

This bill allows the Motor Vehicle Administration (MVA) to adopt a system of staggered registration for all motor vehicle classes. Currently, the MVA has this authority for all classes of vehicles except for Class E (single unit trucks over 7,000 pounds), Class F (truck tractors), Class G (trailers and semitrailers), and company owned vehicles. To initiate the system of staggered registration, the MVA may issue registrations for periods varying from seven to eighteen months. The registration fee must be prorated for the period issued.

Fiscal Summary

State Effect: The total amount of Transportation Trust Fund revenue that is collected would not be affected. However, the time frame in which the revenues are collected would change. Potential indeterminate increase in computer programming costs.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Effect: This bill authorizes the MVA to stagger the registration for all vehicles. The MVA advises that they intend to implement the staggered registration for the additional classes of vehicles so as to distribute the workload more evenly throughout the year. Approximately \$14.5 million in registration fees is collected annually for the vehicle classifications added by the bill. It is expected that the annual revenue will remain constant. However, as the MVA initiates the system of staggered registration, it will need to prorate registration fees to reflect the seven to eighteen month time periods. In the first year of the new system, even-numbered registrations will pay a one-year registration renewal fee. Odd-

numbered registrations will pay registration for over one year. Therefore, the first year of the new system will experience an increase in normal registration fees while the second year will experience a decrease. However, the total revenues for the fiscal 1999-2000 period should remain constant at approximately \$29 million.

The MVA advises that computer programming expenditures could increase by an estimated \$70,000 to modify the computer programs as proposed in this legislation. The Department of Legislative Services (DLS) 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, DLS 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.

Information Source(s): Department of Transportation (Motor Vehicle Administration),
Department of Legislative Services

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