

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 45 (Chairman, Judicial Proceedings Committee)
(Departmental - Transportation)

Judicial Proceedings

Vehicle Laws - Businesses and Occupations - Fines

This departmental bill authorizes the Motor Vehicle Administration (MVA) to assess a fine of up to \$1,000 on individuals or businesses licensed as vehicle salesmen, automotive dismantlers, recyclers and scrap processors, title service agents, drivers' schools, or driving instructors for specified violations. The fine may be in lieu of, or in addition to, the penalties under current law (revocation, suspension, or refusal to renew an occupational license).

Fiscal Summary

State Effect: Potential minimal increase in Transportation Trust Fund (TTF) revenue. Potential minimal increase in TTF expenditures for administrative hearings.

Local Effect: None.

Small Business Effect: The Department of Transportation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Fiscal Analysis

State Revenues: Under current law, the MVA has the authority to fine vehicle manufacturers, distributors, factory branches, and new and used vehicle dealers for license violations. The bill expands this authority to vehicle salesmen, automotive dismantlers, recyclers and scrap processors, title service agents, drivers' schools, or driving instructors. It is unclear how many fines will be levied and subsequently collected as a result of this bill.

As a point of reference, as a result of the 196 dealer audits the MVA collected \$105,181 in fine revenue from new and used vehicle dealers in fiscal 1998. There are 1,805 such dealers licensed by the MVA in the State. The bill will include at least an additional 1,152 licensed businesses and individuals under MVA's authority to fine. However, this figure does not include the number of vehicle salesmen that are currently licensed as the MVA was unable to provide that data.

State Expenditures: Due to the expected increase in fines levied by the MVA, it is expected that requests for administrative hearings will increase. It costs the MVA approximately \$88 in reimbursable funds for each MVA hearing conducted by the Office of Administrative Hearings. To the extent that licensees request additional hearings, TTF expenditures could increase.

The MVA advises that it requires an additional internal auditor to perform licensure requirement audits on the entities affected by this bill. The bill's provisions, however, do not in themselves increase the need for additional audits. The bill simply authorizes an alternative penalty to license offenses. The MVA is currently authorized to perform inspections and to verify that licensed businesses are in compliance with regulations. In the previous fiscal year, such inspections have resulted in 13 suspensions, 11 revocations, and 4 refusals to renew the licenses of the entities affected by this bill. Hence, the Department of Legislative Services advises that the bill's provisions could be accomplished within the existing budgeted resources of the MVA. If the MVA cannot adequately perform its audits with current personnel, it should justify the need for additional staff through the normal budgetary procedures.

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

Fiscal Note History: First Reader - January 13, 1999

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