

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 226 (Senator Jimeno)

Judicial Proceedings

Motor Vehicles - Failure to Return Rented or Leased Vehicle - Penalties

This bill prohibits a person from willfully failing to return a rented or leased vehicle after the expiration of the term of the rental agreement or lease. Violators are guilty of a misdemeanor if the rented or leased vehicle is up to 10 days late and may be subject to a maximum fine of \$1,000 and/or imprisonment for up to 60 days. If the vehicle is more than 10 days overdue, violators are guilty of a felony and may be subject to a maximum fine of \$3,000 and/or imprisonment for up to one year. In addition, violators are required to pay the owner the amount owed for the rented or leased vehicle.

The bill prohibits these provisions from being construed to preclude a prosecution for theft of a motor vehicle.

Fiscal Summary

State Effect: Potential minimal decrease in general fund revenues and expenditures due to the bill's penalty provisions. Any potential costs or revenues associated with additional penalties arising from preserving the right of the State to prosecute a person for theft of a motor vehicle cannot be reliably quantified.

Local Effect: Potential minimal decrease in revenues and expenditures due to the bill's penalty provisions.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Violations regarding rental and leased vehicles are charged under the current law provision against unlawful taking of a motor vehicle. A person convicted of unlawful taking of a vehicle currently is guilty of a felony and subject to a maximum fine of \$5,000 and/or imprisonment for up to five years. The District Court reports that in fiscal 1997 there were 4,584 violations of this provision. The number of violations that may be charged under this bill that were not charged under current law is unknown, but the increase in additional cases is assumed to be minimal.

State Revenues: Because the current penalty provisions are reduced under the bill, general fund revenues could decrease under the bill's monetary penalty provisions for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

State Expenditures: General fund expenditures could decrease as a result of the bill's incarceration penalties due to people being committed to a Division of Correction (DOC) facility for a shorter time and decreased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of their per diem rate after a person has served 90 days. State per diem reimbursements for fiscal 1999 are estimated to range from \$12 to \$42 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility, with an average monthly cost estimated at \$1,500 for fiscal 1999. [The Baltimore City Detention Center (BCDC), a State operated facility, is used primarily for pretrial detentions. The per diem cost for BCDC in fiscal 1999 is estimated at \$43 per inmate.]

Local Revenues: Because the current penalty provisions are reduced under the bill, revenues could decrease under the bill's monetary penalty provisions for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

Local Expenditures: Expenditures could decrease as a result of the bill's incarceration penalties depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$23 to \$83 per inmate in fiscal 1999.

Small Business Effect: The bill requires the owner of the vehicle to send a written demand by certified mail (including return receipt requested) to the person who fails to timely return the rented or leased vehicle. If the person does not return the vehicle to the owner within two days after the owner received notice that the person received the certified mail, or within five days after the notice was mailed, prosecution may be instituted. While the bill minimally

increases the administrative requirement of small businesses engaged in renting or leasing vehicles, the bill provides a certain time when action may be initiated.

The bill also reduces the penalties for persons convicted of willfully failing to return a rented or leased vehicle. Reducing such penalties decreases an incentive for promptly returning rental or leased vehicles.

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

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