

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 289 (Delegates Frank and Barve)

Commerce and Government Matters

Motor Vehicles - Commemorative License Plates - Education

This bill requires the Motor Vehicle Administration (MVA) to issue a commemorative license plate to honor education. In addition to the current annual registration fee, the MVA is required to set a fee that will allow the MVA to recover its costs for issuing and distributing the plates and may result in a surplus. Any surplus funds are to be disbursed to each county based on the number of vehicle owners from each county requesting the commemorative plates. In turn, the counties must use the funds for public secondary education.

Fiscal Summary

State Effect: Indeterminate increase in offsetting special fund revenues and expenditures.

Local Effect: Indeterminate increase in county revenues.

Small Business Effect: None.

Fiscal Analysis

State Effect: The level of interest that could be generated by this type of commemorative plate cannot be reliably estimated at this time. Currently, there is a \$20 fee for the Chesapeake Bay commemorative plates, from which the MVA retains \$8 for cost recovery. The remaining revenue is remitted to the Chesapeake Bay Trust (approximately \$634,000 in fiscal 1997). It is assumed that the fee for this plate would be set at a similar level, with the surplus distributed to the counties who in turn must use the money for public secondary education. Thus, any excess revenue would not accrue to the State general or special funds. The MVA advises that computer programming expenditures could increase by an estimated \$52,200 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. However, any such costs would be recovered as discussed above.

Local Effect: Because the bill requires the MVA to disburse revenue from this commemorative plate to each county in a proportionate share based on the number of vehicle owners from each county requesting the plate, revenues of certain counties may increase. The amount of the increase would depend on the number of plates issued to residents of each county. The counties must limit the use of the revenue to public secondary education.

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

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