

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

Senate Bill 70 (Chairman, Budget and Taxation Committee)
 (Departmental - Transportation)

Budget and Taxation

Vehicle Laws - Excise Tax - Vehicle Transfers

This departmental bill requires the Motor Vehicle Administration (MVA) to change the names on a certificate of title at the time that the excise tax is imposed without issuing multiple certificates of title or charging any additional fees in those cases where: (1) the vehicle was formally titled in another state; and (2) the owner transferred the car to a specified relative as a gift.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues would decrease by an estimated \$85,900 in FY 2000 and \$114,500 each year thereafter reflecting annualization. Expenditures would not be materially affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
SF Revenues	(\$85,900)	(\$114,500)	(\$114,500)	(\$114,500)	(\$114,500)
SF Expenditures	0	0	0	0	0
Net Effect	(\$85,900)	(\$114,500)	(\$114,500)	(\$114,500)	(\$114,500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect

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, only the owners of vehicles already titled in the State are allowed the vehicle excise tax exemption for transfers to certain specified relatives as gifts. In those cases where an individual seeks to both transfer a title to Maryland and at the same time transfer that title to a relative, 2 separate MVA transactions are required. The first transaction would transfer the title to Maryland and the second would transfer ownership. This ensures: (1) the excise tax credit afforded to those vehicle owners transferring a title into the State; and (2) the excise tax exemption for owners transferring the vehicle to a relative as a gift. A titling fee is charged for each transaction.

The bill would require that the MVA perform both functions in 1 title transaction instead of 2 separate operations and without charging any additional fees. The MVA charges a \$20 fee for each title transaction. Based on a random sample of title transactions, it is estimated that there are 5,727 annual transactions meeting the above criteria. Accordingly, it is expected that MVA fee revenue would decrease by \$85,900 in fiscal 2000, which reflects the bill's October 1, 1999 effective date and \$114,540 annually thereafter.

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

Fiscal Note History: First Reader - January 22, 1999

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