

**Department of Legislative Services**  
 Maryland General Assembly  
 2000 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 34 (Chairman, Judicial Proceedings Committee)  
 (Departmental - Transportation)

Judicial Proceedings

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**Vehicle Law - Vehicle Transfers - Continued Use of  
 Registration Plates**

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This departmental bill allows the same registration plates to be used after either (1) a transfer of title from joint names of a parent and child to the individual name of either party; (2) a transfer of title from an individual parent or child to joint names of the parent and child; or (3) a transfer from the name of an individual to the name of a child or parent of that individual. There would be no new registration fee for the transfer of title in those cases.

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**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) revenue and Maryland Emergency Medical System Operations Fund revenue would decrease by an estimated \$8,400 in FY 2001. Future years reflect annualization and a constant rate of title transfers. Expenditures would not be affected.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	(\$8,400)	(\$11,200)	(\$11,200)	(\$11,200)	(\$11,200)
SF Expenditures	0	0	0	0	0
Net Effect	(\$8,400)	(\$11,200)	(\$11,200)	(\$11,200)	(\$11,200)

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

**Local Effect:** Revenues would decrease by an estimated \$2,500 in FY 2001 and \$3,400 in each year thereafter.

**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. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Current Law:** Transfers of this kind are currently allowed for spouses free of the charges for new registration or the excise tax. Vehicle transfers, however, are subject to a transfer fee of \$8. Title transfers involving parent and child as specified in the bill are only exempt from the excise tax. In effect, such transfers are treated as the termination of one registration and the beginning of another registration. Title holders with over a year remaining on their initial registrations may be refunded a year's fee, or \$35. Portions of a year over or under one year are not refunded.

**Background:** The bill is addressing a recurring complaint of title holders who wish to transfer a title from a child to a parent title or vice versa. For example, a parent must terminate a registration before transferring it to a joint title of parent and child. In many cases, there is time left on that registration that cannot be refunded under current law. In such cases, there is at least a portion of a year in which the registration fee is paid twice.

The \$70 motor vehicle registration fee is charged on a biennial basis. The fee is split \$16 to the Maryland Emergency Medical System Operations Fund to benefit Med-Evac services and \$54 to the Gasoline and Motor Vehicle Revenue Account (GMVRA). The GMVRA is a shared revenue source, of which 70% is allocated to the TTF and 30% is allocated to the local jurisdictions.

**State Revenues:** It is estimated that there are 1,800 vehicle registration transfers per year between parent and child as specified in the bill. Under the bill, such transfers would be allowed under the initial registration. There would no longer be a loss to the title holder in lost months on the original registration. However, the Motor Vehicle Administration (MVA) would lose the revenue associated with those months.

For illustrative purposes, assume a parent wants to transfer a vehicle to a joint title with a child. The registration is still valid for another 18 months. Under current law, the parent terminates the registration and receives a \$35 refund on the remaining year of the registration (there are no refunds for over a year remaining). Six months of the remaining time would not be refunded. The child pays a new \$70 registration fee that applies for the following two years.

Under the provisions of the bill, the MVA would charge the parent an \$8 transfer fee and would transfer the remaining 18 months of the registration to the child. In 18 months, the registration would be due for renewal instead of in two years, under current law. There

would be no six-month overlap. The loss to the MVA associated with that lack of overlap is estimated at \$28,875 per year, assuming a constant number of parent/child transfers. However, because the MVA charges an \$8 fee for registration transfers, the loss is offset by \$14,400 annually.

Based on the distribution of registration fees between the State and local jurisdictions, and accounting for the October 1 start date of the bill, State revenue would decrease by \$8,400 in fiscal 2001 and \$11,200 in each year thereafter. The State's share of the annualized loss would be split between the Maryland Emergency Medical System Operations Fund (\$3,300) and the TTF (\$7,900).

**Local Revenues:** The GMVRA is distributed 70% to the TTF and 30% to local jurisdictions. The local distribution is split with Baltimore City receiving the greater of \$157,500,000 or 11.5% and the remainder distributed to the 23 counties and then shared with municipal corporations within each county. It is assumed that this bill would result in a total loss to the jurisdictions of about \$3,400 annually after an initial year loss of \$2,500.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

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