

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

House Bill 129 (Delegate Greenip)

Commerce and Government Matters

Vehicle Laws - Transfer of Registration - Transfers Between Minors and Parents and Guardians

This bill allows the same vehicle registration plates to be used after (1) a transfer of title between a minor and the minor's parent; or (2) a transfer of title from joint names of parent and minor to the minor after the minor becomes an adult. A new registration fee for the transfer of title in those cases would not be required.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues and Maryland Emergency Medical System Operations Fund revenues would decrease by an estimated \$4,600 in FY 2001. Future years reflect annualization and a constant rate of title transfers. TTF expenditures would decrease by \$2,000 in FY 2001. Future years reflect annualization and inflation.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	(\$4,600)	(\$6,100)	(\$6,100)	(\$6,100)	(\$6,100)
SF Expenditures	(2,000)	(2,700)	(2,800)	(2,800)	(2,800)
Net Effect	(\$2,600)	(\$3,400)	(\$3,300)	(\$3,300)	(\$3,300)

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

Local Effect: Revenues would decrease by an estimated \$900 in FY 2001 and \$1,200 in each year thereafter.

Small Business Effect: None.

Analysis

Current Law: Spouses may transfer titles from joint titles to individual titles or vice versa free of the charges for new registration or the excise tax. Vehicle title 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 or vice versa. For example, a parent must terminate a registration before transferring it to a 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 900 vehicle registration transfers per year between parent and minor 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 child and 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 as under current law. There would be no six-month overlap. The loss to the MVA associated with that lack of overlap is estimated at \$14,400 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

\$7,200 annually.

Based on the distribution of registration fees between the State and local jurisdictions, and accounting for the bill's October 1 effective date, TTF revenue would decrease by \$2,100 in fiscal 2001 and \$2,800 in each year thereafter. The Maryland Emergency Medical System Operations Fund would lose \$2,500 in fiscal 2001 and \$3,300 in each year thereafter.

State Expenditures: It costs the MVA approximately \$3 for each set of license plates that it issues. Because the bill would allow for the continuation of the same registration plates after a title transfer in about 900 cases, the MVA would save approximately \$2,700 annually (\$2,000 in fiscal 2001).

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 \$1,200 annually after an initial year loss of \$900.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 31, 2000
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