

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

House Bill 319 (Delegate C. Davis)

Commerce and Government Matters

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Vehicle Laws - Registration of Vehicles - County Registration Fees

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This bill allows a county to impose an annual county registration fee of up to \$25 on each vehicle registered to a resident of that county. The Motor Vehicle Administration (MVA) is required to collect the county fees and disburse the proceeds to the appropriate counties. A county may only use the proceeds for highway or public transportation improvement projects within the county or for projects undertaken with other counties. The MVA must adopt regulations to govern the collection and disbursement of county registration fees.

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Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) expenditures would increase by \$30,200 in FY 2001 for personnel costs. Future years reflect inflation and ongoing operating expenditures. Potential increase in computer programming costs for the MVA. No effect on revenues.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	30,200	34,700	36,400	38,100	40,000
Net Effect	(\$30,200)	(\$34,700)	(\$36,400)	(\$38,100)	(\$40,000)

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

**Local Effect:** Revenues could increase significantly depending upon adoption of an annual registration fee as authorized by the bill. Total maximum revenue for the jurisdictions could reach \$100,715,525 if all jurisdictions impose a \$25 fee.

**Small Business Effect:** None.

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Analysis

**Current Law:** State annual registration fees for vehicles vary depending on the type of vehicle. The fees range from \$1.35 for farm area vehicles to over \$1,000 for heavy truck tractors. Local jurisdictions do not currently assess a registration fee. Most vehicles are subject to a \$27 annual registration fee, paid biennially.

**Background:** Revenues from State registration fees are credited 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. It is estimated that revenues from State registration fees will total \$180 million in fiscal 2001.

**State Fiscal Effect:** TTF expenditures could increase by an estimated \$30,200 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring one fiscal associate to account for and distribute the county registration fee. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$25,200
Operating Expenses	<u>5,000</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$30,200</b>

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The MVA advises that computer programming expenditures could increase by an estimated \$70,000 to modify the computer programs to reflect the county registration fee. 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.

**Local Fiscal Effect:** The bill allows a county to impose an annual county registration fee of up to \$25 on each vehicle registered to a resident of that county. The following table details the maximum revenue that could be generated for each county assuming the maximum fee of \$25 is assessed by each county. The estimated number of vehicles in fiscal 2001 is based on the current number of vehicles in each county, inflated for moderate growth. Further, the following estimates assume that the county registration fee would not apply to vehicles that are exempt from the State vehicle registration fee (e.g. various government vehicles,

specified nonprofit vehicles).

**Maximum Annual Revenue per County**

<u>County</u>	<u>Registered Vehicles</u>	<u>Revenue Increase</u>
Allegany	61,368	\$1,534,200
Anne Arundel	432,569	10,814,225
Baltimore	590,957	14,773,925
Baltimore City	302,035	7,550,875
Calvert	66,885	1,672,125
Caroline	31,600	790,000
Carroll	140,816	3,520,400
Cecil	74,353	1,858,825
Charles	102,866	2,571,650
Dorchester	28,855	721,375
Frederick	175,603	4,390,075
Garrett	27,857	696,425
Harford	189,494	4,737,350
Howard	209,148	5,228,700
Kent	19,027	475,675
Montgomery	639,356	15,983,900
Prince George's	536,046	13,401,150
Queen Anne's	40,278	1,006,950
Somerset	17,475	436,875
St. Mary's	75,528	1,888,200
Talbot	34,313	857,825
Washington	113,007	2,825,175
Wicomico	72,871	1,821,775
Worcester	46,314	1,157,850
<b>Total</b>	<b>4,028,621</b>	<b>\$100,715,525</b>

A county may only use the proceeds for highway or public transportation improvement projects within the county or for projects undertaken with other counties. The above

represents a maximum revenue increase only. Actual increases would depend on the number of counties choosing to assess a fee and the levels at which the fees are set.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Transportation (Motor Vehicle Administration); Baltimore City; Anne Arundel, Montgomery, and Prince George's counties; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2000  
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