

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

House Bill 475 (Delegate Elliott, *et al.*)
 Commerce and Government Matters

Vehicle Laws - Single Registration Plate

This bill institutes a one registration plate requirement for all registered vehicles and repeals the requirement that certain classes of vehicles display both a front and rear registration plate. The bill allows the following vehicle classes to use one plate:

- A (passenger cars and wagons);
- B (passenger vehicle operated for hire);
- C (funeral vehicles and ambulances);
- E (trucks);
- L (historic vehicles);
- N (street rod vehicles); and
- M (multi-purposes vehicles).

The registration plate will be attached to the rear of the vehicle.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures would decrease by \$731,000 in FY 2002. Out-year increases reflect inflation and annualization. Revenues would not be affected.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	(731,000)	(984,400)	(994,200)	(1,004,200)	(1,014,200)
Net Effect	\$731,000	\$984,400	\$994,200	\$1,004,200	\$1,014,200

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Only three classes of vehicles are exempt from the two-plate requirement -- Class D (motorcycle), F (tractor), and G (trailer). Class F vehicles are required to display the registration plate on the front of the vehicle. The bill does not affect this requirement.

Background: Currently, 19 states issue one registration plate for all vehicle classes -- the rest require two. According to the National Conference of State Legislatures, supporters of a two-plate system contend that a front and rear license plate helps radar enforcement of speed limits and increases safety. Disadvantages of issuing two plates include potential fraud because the recipient can use one of the plates for an unregistered vehicle and avoid paying registration taxes. It is also cheaper to issue and store one plate. Several jurisdictions have attempted to switch to a one-plate system but have not succeeded.

State Expenditures: Accounting for the bill's October 1, 2001 effective date, TTF expenditures would decline by approximately \$731,000 in fiscal 2002 by eliminating the need to purchase two plates for each vehicle. Future year reductions reflect annualization and inflation. The MVA purchases 965,000 pairs of plates annually and would save approximately \$1.01 per plate.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Transportation (Motor Vehicle Administration), National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader – February 19, 2001
ncs/jr

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