

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

Senate Bill 57 (Chairman, Judicial Proceedings Committee)
 (Departmental – Transportation)

Judicial Proceedings

Commerce and Government Matters

Vehicle Laws - Transfers - Continued Use of Registration Plates

This departmental bill allows a husband or wife to continue using the registration plate of a vehicle after the vehicle title is transferred from one spouse to the other.

Fiscal Summary

State Effect: Special fund revenues would decrease by \$3,900 in FY 2002 and special fund expenditures would decrease by \$2,700. Future years reflect annualization, inflation, and a constant rate of title transfers.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	(\$3,900)	(\$5,200)	(\$5,200)	(\$5,200)	(\$5,200)
SF Expenditure	(2,700)	(3,600)	(3,700)	(3,700)	(3,700)
Net Effect	(\$1,200)	(\$1,600)	(\$1,500)	(\$1,500)	(\$1,500)

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

Local Effect: Revenues would decrease by approximately \$3,300 in FY 2002 and \$4,500 in the following years.

Small Business Effect: The MVA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Chapter 4 of 2000 (SB 34) allows continued use of the same registration plate if the vehicle is registered in the individual name of either spouse and is transferred

to their joint name or is transferred from the joint name to one spouse. It does not specifically allow one spouse who receives the title from the other spouse to keep the same registration plate.

Vehicle transfers are subject to a transfer fee of \$8. However, the MVA advises that, in practice, transferees do not pay the transfer fee, but rather terminate one registration and begin a new one, and pay the \$70 registration fee. Titleholders with over a year remaining on their initial registrations may be refunded a year's fee, or \$35. The MVA does not give partial year refunds.

Background: This bill further modifies the law to transfer registration plates from one spouse to another in one transaction. The MVA advises that customers have complained that they must pay the \$70 registration fee after transferring vehicle ownership to their spouse and do not receive credit for the fee that was paid for the existing tags. The bill will also streamline MVA procedures and reduce paperwork. The MVA acknowledges that this was an oversight from SB 34, which allows continued use of registration plates for parent-child transfers.

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 Fiscal Effect: The bill affects approximately 1,200 transactions per year. Titleholders would be able to transfer title and registration without paying the \$70 registration fee again until the plates expire. Instead, they would pay an \$8 transfer fee. The State would lose the revenue associated with the overlap between registrations.

If, for example, a husband transfers a vehicle to his wife, the registration would still be valid for another 18 months. Under current law, the husband terminates the registration and receives a \$35 refund on the remaining year of the registration. Six months of the remaining time or overlap (\$17.50) would not be refunded. The wife pays a new \$70 registration fee that applies for the following two years.

Under the provisions of the bill, the MVA would charge the husband an \$8 transfer fee and would transfer the remaining 18 months of the registration to the wife. The total special fund revenue loss from reduced registration fee revenue is estimated at \$14,800 per year (after an initial loss of \$11,100 in fiscal 2002 due to the October 1 effective date), assuming a constant number of transfers. The State's annualized loss would be split between Med-Evac (\$3,300 in fiscal 2002 and \$4,400 in the following years) and the

TTF (\$600 in fiscal 2002 and \$800 in the following years). The loss to the TTF is offset by \$9,600 annually from increased transfer fee revenue, after an initial increase of \$7,200 in fiscal 2002. The total special fund decrease is \$5,200 (\$3,900 in fiscal 2002).

TTF expenditures will decrease by approximately \$3,600 (plus inflation) annually through reduction of license plate purchases (based on \$3 per plate expenditure), after an initial savings of \$2,700 in fiscal 2002.

Local Revenues: The bill will reduce the local government's share of registration revenues by \$3,341 in fiscal 2002 and \$4,455 thereafter.

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 23, 2001
jm/cer

Analysis by: Ann Marie Maloney

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510