

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE****Revised**

House Bill 1128

(Delegate Pitkin, *et al.*)

Commerce and Government Matters

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**Bicycle Riders and Pedestrians - Transportation Planning and Safety**

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This bill establishes new bicycle planning districts, requires designation of district coordinators, creates a special registration plate, and directs the distribution of funds collected from the sale of the plate. It also allows the Bicycle and Pedestrian Advisory Committee to expand its membership.

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**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) expenditures would increase by \$493,300 in FY 2002. Out-year expenditures reflect annualization and inflation. TTF revenues could increase by \$750,000 in FY 2002. Future year revenues reflect annualization and the application of a \$10 renewal fee beginning in FY 2004.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$750,000	\$1,000,000	\$1,375,000	\$1,500,000	\$1,875,000
SF Expenditure	493,300	613,000	620,500	628,100	635,900
Net Effect	\$256,700	\$387,000	\$754,500	\$871,900	\$1,239,100

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

**Local Effect:** None.

**Small Business Effect:** Potential minimal. Nonprofit organizations associated with bicyclists may receive State funds to conduct safety awareness campaigns and other media events.

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## Analysis

**Bill Summary:** This bill requires the Secretary of Transportation to establish bicycle-pedestrian planning districts that encompass all regions of the State; each county in the State must be assigned to one of the districts. The Secretary must designate a coordinator for each planning district who will: (1) consult with public officials and citizens regarding the needs of bicycle riders and pedestrians; (2) monitor the Department of Transportation's (MDOT) actions and the impact of MDOT's actions on bicycle riders and pedestrians; and (3) attend meetings held by the Bicycle and Pedestrian Advisory Committee and training programs. The bill directs the Director of Bicycle and Pedestrian Access to consult with the coordinators to identify priority areas to receive funds for improving access to transportation facilities. The bill allows the Bicycle and Pedestrian Advisory Committee to expand its membership by majority vote to no more than 16 members and directs MDOT to provide support for the committee.

The Motor Vehicle Administration (MVA) must develop a special registration plate that promotes safe bicycling, displays the words "share the road," and any picture or logo considered appropriate by the MVA. The bill requires that the MVA charge vehicle owners a one-time fee for the plate to recover its costs, as well as an additional fee that is set at a level intended to encourage sales while providing revenue for bicycle-related programs. The additional fee does not apply to vehicles that are exempt from registration fees.

Funds collected through sale of the plates may be used as directed by the Secretary to support the committee's activities. If the funds are not used by the committee, they must be disbursed to one or more nonprofit organizations closely associated with promoting safe bicycling and used for programs to promote education and awareness relating to bicycle safety and sharing the road with bicyclists, as well as training programs, workshops, and other outreach efforts to promote safe bicycle use. The Secretary must develop regulations governing the issuance of the registration plates and the disbursement of any funds to nonprofit organizations.

The funds may not be credited to the Gasoline and Motor Vehicle Revenue Account (GMVRA).

**Current Law:** The Governor appoints the 13 members of the advisory committee who represent State agencies and specific geographic areas. The committee is not authorized to vote for additional members; however, there is no cap on the number of committee members.

**State Expenditures:** Transportation Trust Fund (TTF) expenditures could increase by \$493,300 in fiscal 2002 and \$600,000 (plus inflation) annually thereafter. The information and assumptions used in calculating the estimate are stated below:

- hiring two contractual employees to support the bicycle planning districts (\$82,275);
- hiring one contractual employee in fiscal 2002 only to coordinate the design, marketing, and initial issuance of the plate (\$36,000);
- approximately 37,500 plates will be issued in fiscal 2002 and 50,000 annually thereafter (based on the sales of the Chesapeake Bay registration plate); and
- the cost of developing and mailing the plate (including informational brochures) would cost \$375,000 in fiscal 2002 and \$500,000 annually.

**Total FY 2002 State Expenditures**

**\$493,275**

The MVA advises that it would need two customer service representatives in addition to the project manager and \$30,000 for associated computer programming costs. However, the Department of Legislative Services (DLS) advises that one contractual employee should be sufficient. DLS further advises that other bills may also require computer programming changes or the creation of a special plate that would allow the MVA to realize economies of scale. DLS also cautions that expenditures could vary considerably depending on the demand for the plates.

The State Highway Administration advises that it may need additional district staff -- three contractual employees -- to provide engineering support for the planning districts. Six full-time employees are now assigned part-time to supporting bicycle planning in the State. DLS advises that two contractual positions (\$50,000 per position) should be sufficient to allow the program to begin.

**State Revenues:** TTF revenues could increase by as much as \$375,000 in fiscal 2002 and grow from \$1 million in fiscal 2003 to \$1.9 million in fiscal 2006. This estimate assumes that the bicycle plates will generate as many sales as the Chesapeake Bay plates and that renewal rates remain constant. The MVA would likely charge a \$20 one-time fee for the issuance of the plates and a \$10 biennial renewal fee, and retain \$10 to offset the costs of issuing the plates. Part of the issuance fee revenue could support bicycle programs. The renewal fee, which will not apply until fiscal 2004, will generate approximately \$500,000 annually -- those funds will also be used for bicycle programs.

DLS notes (and MVA concurs) that demand for these plates is difficult to predict and that the renewal fee revenue could decline in later years. For example, the MVA advises that demand for a registration plate that recognizes honorably discharged veterans was considerably lower than expected -- approximately 250 were sold while thousands of sales were expected. Alternatively, the demand for Chesapeake Bay registration plates far exceeded expectations. The increasing number of specialized plates and organizational plates available to vehicle owners may also dampen demand.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

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