

Department of Legislative Services  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**  
**Revised**

House Bill 1148      Chairman, Commerce and Government Matters Committee and  
Chairman, Appropriations Committee, *et al.*)  
(Departmental – Maryland Institute for Emergency Medical  
Services Systems)

Commerce and Government Matters and Appropriations

Budget and Taxation

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**Motor Vehicle Registration - Surcharge - Maryland Emergency Medical System  
Operations Fund**

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This departmental bill increases the motor vehicle registration surcharge from \$8 to \$11. The surcharge funds the Maryland Emergency Medical System Operations Fund.

The bill also establishes a 15-member panel, staffed by the Department of Legislative Services, to study the potential funding needs of the network of trauma centers participating in the State's Emergency Medical Services System that do not receive funding under the Emergency Medical System Operations Fund. The panel is required to submit an interim report by January 1, 2002, and a final report by December 1, 2002, on its findings and recommendations to the Governor and to certain committees of the General Assembly.

The bill is effective July 1, 2001.

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**Fiscal Summary**

**State Effect:** Special fund revenues could increase by an estimated \$13.1 million in FY 2002. Future year increases reflect marginal projected growth in the number of registered cars in the State. Special fund expenditures could increase by an estimated \$33,000 in fiscal 2002 for implementation of the fee increase. Future year expenditures will remain unaffected. Any additional requirements could be handled with existing budgeted resources.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$13,089,400	\$13,246,500	\$13,286,300	\$13,445,600	\$13,486,100
SF Expenditure	33,000	0	0	0	0
Net Effect	\$13,056,400	\$13,246,500	\$13,286,300	\$13,445,600	\$13,486,100

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

**Local Effect:** None.

**Small Business Effect:** The Maryland Institute for Emergency Medical Services Systems has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Current Law:** The motor vehicle registration surcharge is \$8.

**Background:** The Emergency Medical System Operations Fund (fund) was created by legislation enacted during the 1992 session. Chapter 269 of 1992 added an \$8 surcharge to motor vehicle registrations to create the fund, which is used to support the Maryland Institute for Emergency Medical Services Systems, the Maryland Fire and Rescue Institute, the R Adams Cowley Shock Trauma Center, the Aviation Division-Maryland State Police, and the Amoss Fund (grants to local jurisdictions under the State Fire, Rescue, and Ambulance Fund). There has been no increase in the surcharge since its enactment.

Based on 2002 allowances, the Department of Legislative Services (DLS) estimates that a \$7.2 million deficit will occur in the fund by the end of fiscal 2002 if action is not taken to either increase revenues or to decrease expenditures from the fund. Furthermore, even considering the estimated impact of a \$3 increase in the motor vehicle registration fee surcharge, DLS observes that by as early as fiscal 2005 annual expenditures could once again exceed annual surcharge revenues. As a result, the initial fund balance created by the fee increase is expected to erode rapidly. Nevertheless, the additional revenue from the \$3 fee increase should provide sufficient additional revenues to sustain a positive fund balance through fiscal 2008.

**State Fiscal Effect:** Based on an estimated 4,363,000 car registrations in the State in fiscal 2002, special fund revenues could increase by an estimated \$13.1 million in fiscal 2002. Future year increases reflect projected growth in car registrations, which is expected to be minimal. Special fund expenditures could increase by \$33,000 in fiscal

2002 in order for the Department of Transportation to recall and reprint forms to facilitate the implementation of the fee increase.

The bill's requirements with respect to establishment of the panel could be absorbed within existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** As introduced, SB 154 of 2000 would have increased the motor vehicle registration fee to support the fund. The bill was substantially changed in the Senate Budget and Taxation Committee and the increase provision was amended out.

**Cross File:** SB 292 (Senator Middleton, *et al.*) – Budget and Taxation.

**Information Source(s):** Maryland Institute of Emergency Medical Services Systems, Department of State Police, Department of Transportation, *Cutting Maryland's Emergency Medicine*, Baltimore Sun, January 22, 2001, *Maryland Emergency Medical System Operations Fund Fiscal 2002 Budget Overview*, January/February 2001, Department of Legislative Services

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