

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

Revised

House Bill 514

(Delegate Klausmeier, *et al.*)

Commerce and Government Matters

Judicial Proceedings

**Vehicle Laws - Special Registration Plates for Farm Trucks - Maryland
Agriculture**

This bill allows the Motor Vehicle Administration (MVA) to issue special registration plates that honor Maryland agriculture to owners or lessees of Class E (farm truck) vehicles.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by as much as \$10,640 in FY 2003 to produce the plate and revenues could increase by \$1,000. Out-year revenues and expenditures would be less.

Local Effect: None. Surplus fee revenue from the sale of these special registration plates cannot be distributed to local governments.

Small Business Effect: None.

Analysis

Current Law: Chapter 251 of 2000 (SB 281) created a special registration plate to honor Maryland agriculture. The revenue of the initial issuance fee is split between the TTF (to recover costs) and the Maryland Agricultural Foundation, Inc. All the renewal fee revenue associated with the plate must be set aside to benefit the foundation. No portion of the fee collected for the plate can be credited to the Gasoline and Motor Vehicle Revenue Account for distribution to the TTF and local governments. The owner or lessee of one of the following classes of vehicles is eligible to purchase this plate:

Class A (passenger), Class B (for hire), Class E (truck with a manufacturer's rated capacity of one ton or less), Class G (trailer), or Class M (multipurpose).

Background: The Maryland Agricultural Education Foundation is a nonprofit organization that promotes the education and appreciation of agriculture in the State. It was established in 1989 as a result of the Governor's Task Force on Agricultural Education. To date, the MVA has sold 25,138 plates since the plate's first issuance on July 1, 2001 (the agency initially expected to sell approximately 10,000 plates per year).

State Fiscal Effect: TTF revenues could increase by approximately \$1,000 in fiscal 2003 (assuming half of all eligible vehicle owners purchase a plate) and minimally in the following years. Approximately 200 trucks would become eligible for the plate under the bill. The MVA charges a one-time \$20 fee when the plate is issued and as well as a \$5 renewal fee. Half of the cost recovery revenue and all of the renewal fee revenue is directed to the foundation.

TTF expenditures would increase by approximately \$10,640 in fiscal 2003 to manufacture and mail additional registration plates, based on the fee charged by State Use Industries, which produces the plates. This estimate also includes promotional costs.

The MVA advises that it would need approximately \$5,000 in fiscal 2003 for updates to the training manual and \$20,000 for computer programming costs. However, the Department of Legislative Services (DLS) advises that issuing the additional registration plates could be absorbed within the agency's existing personnel resources.

DLS advises that if other legislation is passed requiring computer reprogramming and training manual changes, economies of scale could be realized. This would reduce the costs associated with this bill and other legislation affecting the MVA system.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 14, 2002
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