

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 1069

(Delegate Valderrama)

Commerce and Government Matters

Motor Vehicles - Registration - Driving Restrictions

This bill prohibits a vehicle to be driven on State highways on certain days based on its registration number. A vehicle assigned a registration number ending in an odd number may be driven only on Mondays, Wednesdays, Fridays, and Sundays; a vehicle with a registration number ending in an even number could only be driven on Tuesdays, Thursdays, Saturdays, and Sundays. The Motor Vehicle Administration (MVA) may exempt vehicles in cases of hardship or unnecessary hardship and is required to issue a sticker to be displayed on the registration plate of any exempted vehicle. The bill directs the MVA to adopt regulations to carry out these provisions.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures would increase significantly beginning in FY 2003 to increase mass transit for commuters and process exemptions for vehicle owners. The impact on general fund expenditures or revenues cannot be reliably estimated.

Local Effect: The magnitude and direction of revenue and expenditure impacts cannot be reliably estimated, but is expected to be significant.

Small Business Effect: Meaningful. Small businesses that rely on vehicles for their operations, including most services, construction companies, and certain retailers, would be restricted in the goods and services they can provide to their customers unless they qualify for an exemption. The number of affected businesses is unknown, but is likely to be significant.

Analysis

Current Law: There are no restrictions on the number of days a vehicle can be driven based on its registration number.

State Revenues: The Department of Legislative Services (DLS) advises that the legislation does not specify the penalty for violating the specified restrictions and, therefore, any increased general fund revenue cannot be determined at this time. Further, the impact on some of the State's revenue-generating operations (*e.g.*, moving violation and parking enforcement, recruitment of out-of-state businesses) is unknown but could be significant.

State Expenditures: TTF expenditures could increase by at least \$1,149,718 in fiscal 2003 for the MVA's cost to process exemption permits. The MVA's estimate is based on annual issuance of 880,000 exemptions for 4.4 million registered vehicles in the State (20%).

However, the MVA advises (and DLS concurs) that the number of vehicle owners who would apply for an exemption cannot be reliably estimated, particularly since the legislation provides no guidance regarding the qualifications for exemption. The number is likely to be much higher, given the impact of the bill on commuting to jobs, school, recreational activities, and daycare, as well as completion of daily errands. Further, the legislation does not authorize the MVA to charge a fee for the sticker to recover its costs or specify whether the permit would require renewal.

Additional TTF expenditures include the impact of the driving restrictions on the demand for mass transit, which cannot be determined by the Maryland Transit Administration at this time but is expected to increase significantly and exceed existing capacity. Only about 4% of statewide trips are made by mass transit. MTA advises that its transit fleet of 792 buses cannot even accommodate current ridership.

TTF expenditures could decrease by an undetermined amount if the costs of highway maintenance and the level of vehicle emissions decline as a result of reduced traffic.

The impact on general fund expenditures, such as required telecommuting operations for the State's workforce and decreased emergency needs as highway accidents decline, would be both positive and negative but cannot be reliably estimated.

Local Effect: The impact on local jurisdictions would, in many cases, mirror the impact on the State as described above. It cannot be reliably estimated but is expected to be significant.

Small Businesses: The impact on small businesses, which make up almost 93% of the State's businesses, cannot be determined but would be significant as most businesses rely on vehicle transport for delivery of goods or services and may receive fewer customers; those that rely on "walk-in" transactions would be affected the most.

Additional Comments: DLS advises that the bill would have considerable direct and indirect economic impacts, all of which cannot be described, forecasted, or quantified in this fiscal note.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Transportation, Department of State Police, Department of Legislative Services

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