

**Department of Legislative Services**  
 Maryland General Assembly  
 2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 61 (Senator Della)  
 Judicial Proceedings

**Vehicle Laws - Single Registration Plate**

This bill institutes a one registration plate requirement for all registered vehicles and repeals the requirement that certain classes of vehicles display both a front and rear registration plate. The registration plate must be attached to the rear of the vehicle.

The publisher of the Maryland Annotated Code, in consultation with the Department of Legislative Services, must correct any reference in the Annotated Code to multiple registration plates that is rendered obsolete by the enactment of this bill.

**Fiscal Summary**

**State Effect:** The bill's requirements are not likely to materially affect State Use Industries (SUI). Transportation Trust Fund (TTF) expenditures would decrease by \$478,600 in FY 2004. Out-year increases reflect inflation and annualization. Revenues would not be affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	(478,600)	(644,500)	(651,000)	(657,500)	(664,100)
Net Effect	\$478,600	\$644,500	\$651,000	\$657,500	\$664,100

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** Most classes of vehicles are required to display two registration plates. Only three classes of vehicles are exempt from the two-plate requirement – Classes D (motorcycle), F (tractor), and G (trailer). Class F vehicles are required to display the registration plate on the front of the vehicle. The bill does not affect this requirement. For temporary registrations, the MVA may issue only one temporary registration plate.

Each registration plate must display the name of the State and the registration number assigned to the vehicle. For vehicle classes A, E, and M, at the option of a registered owner, the plates may display a sticker indicating the county, including Baltimore City, where the owner resides. After the registration plates have been issued, the MVA may order their continued use in subsequent registration years and must issue a validation tab to show payment of the vehicle registration fee.

Historic and antique vehicles must display current registration plates in the places provided on the vehicle. Vintage registration plates must be displayed elsewhere. However, the MVA may authorize the display of vintage registration plates instead of current registration plates. In that case, current registration plates must be kept in the vehicle at all times.

A person may only drive a motor vehicle on a highway in Maryland with validated registration plates, unless expressly otherwise authorized by the MVA. An owner of a motor vehicle may not permit it to be driven on any highway in Maryland without validated registration plates. Expired registration plates may not be displayed. A person may not display on his or her motor vehicle, or permit to be displayed, another person's registration plates. A violation of these provisions is a misdemeanor, subject to a penalty not exceeding \$500.

**Background:** According to the latest information from the American Association of Motor Vehicle Administrators, 21 states issue one registration plate for all vehicle classes – the rest require two plates. According to the National Conference of State Legislatures, supporters of a two-plate system contend that a front and rear license plate help vehicle law enforcement and increase safety. Disadvantages of issuing two plates include potential fraud because the recipient can use one of the plates for an unregistered vehicle and avoid paying registration taxes.

**State Expenditures:** Accounting for the bill's October 1, 2003 effective date, TTF expenditures would decline by approximately \$478,610 in fiscal 2004 by eliminating the need to issue two plates for each vehicle. Future year reductions reflect annualization and inflation. The MVA purchases 995,100 pairs of plates and mails 33,400 pairs of plates annually. Of the 995,100 plate sets, 885,600 are steel plate sets. Material savings from this bill are estimated to be \$0.61 per steel plate. The remaining 109,500 plate sets

are made of aluminum. Material savings from this bill are estimated to be \$0.72 per aluminum plate. Postage savings for all license plate sets are \$0.57 per mailing.

**State Revenues:** Vehicle registration fees are set in statute and are not changed by this bill.

SUI, the self-supporting prison arm of the Maryland Division of Correction, purchases the raw material for license plates and is responsible for production. The MVA then purchases the license plates from SUI. The bill's one license plate requirement would reduce SUI special fund revenues, but would also likely reduce special fund expenditures by the same amount, making the bill's impact revenue-neutral. SUI advises however, that it purchases the raw material for plates by contract with a vendor that provides a volume discount. Reducing the materials purchase order by half could impair the volume discount and increase SUI's unit cost. If the unit cost for plate materials increases, SUI could pass on the cost increase to the MVA, thereby eliminating some of the savings currently projected by the MVA.

SUI further advises that 70 prison inmates produce all license plates. It requires almost the same labor to produce one plate as it does to produce two plates. However, there is a possibility that some of the inmates will not be needed to produce license plates in the future.

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### **Additional Information**

**Prior Introductions:** This bill is a reintroduction of HB 475 from the 2001 session. HB 475 was referred to the Commerce and Government Matters Committee where it received an unfavorable report.

**Cross File:** None. However, a similar bill, HB 111, has been referred to the Environmental Matters Committee.

**Information Source(s):** Department of Transportation, Department of Public Safety and Correctional Services (State Use Industries), National Conference of State Legislatures, Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2003  
mdf/jr

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