

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 173 (Delegate Owings, *et al.*)
 Environmental Matters

Motor Vehicle Registration Fees - Exemptions - Maryland National Guard Members

This bill exempts a vehicle that is owned and personally used by a member of the Maryland National Guard from the State motor vehicle registration fee. Only one vehicle per member is exempt.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues would decrease by an estimated \$126,300 in FY 2004 and \$168,500 each year thereafter. Special fund revenues for the Maryland Emergency Medical System Operations Fund would decline by \$66,200 in FY 2004 and \$88,300 annually.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	(\$192,500)	(\$256,800)	(\$256,800)	(\$256,800)	(\$256,800)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$192,500)	(\$256,800)	(\$256,800)	(\$256,800)	(\$256,800)

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

Local Effect: Revenues would decrease by approximately \$54,200 in FY 2004 and \$72,200 in each year thereafter.

Small Business Effect: None.

Analysis

Current Law: The law does not exempt any members of the military from the vehicle registration fee. It does exempt disabled veterans (and their widows) and certain nonprofit organizations, including fire departments, veterans' organizations, and the American Red Cross. Those who are exempt do not pay the \$11 registration surcharge that is collected for the Maryland Institute of Emergency Medical Services Systems (MIEMSS) and other related emergency uses such as the Maryland Fire and Rescue Institute. The annual registration fees for certain classes of vehicles are listed below (surcharge excluded).

<u>Class</u>	<u>Description</u>	<u>Annual Fee</u>
A	Passenger Cars (shipping weight up to 3,700 lbs.)	\$27.00
		\$40.50
A	Passenger Cars (shipping weight over 3,700 lbs.)	\$27.00
M	Multi Purpose Vehicle (Shipping weight up to 3,700 lbs.)	\$40.50
		\$18.50
M	Multi Purpose Vehicle (shipping weight over 3,700 lbs.)	\$13.50
D	Motorcycles, Motor Scooters, and Motor Bicycles	\$13.50
L	Historic Vehicles	\$33.75
N	Street Rod Vehicles	
E	Trucks (3/4 ton or 7,000 lbs. or less)	

Background: The MVA collected \$185 million in registration fees in fiscal 2002 and is expected to collect \$192 million in fiscal 2003. A few states, including Montana, Minnesota, and Iowa, allow active duty military members an exemption from the vehicle registration fee, subject to some limits. For example, Minnesota allows an exemption if the person is engaged in active service during a war or other emergency. Montana exempts active military members who are stationed outside the state.

State Revenues: Approximately 78% of vehicles registered statewide weigh less than 3,700 pounds (including certain trucks) and pay an annual registration fee of \$27. Most of the remaining vehicles are sport utility vehicles (SUVs), which are subject to an annual fee of \$40.50. There are 8,030 members of the Maryland National Guard as of January

29, 2003. Assuming that the same percentage of National Guard members own SUVs and vehicles weighing less than 3,700 pounds, the total revenue loss would be \$240,659.

Registration fees are deposited into the Gasoline and Motor Vehicle Revenue Account; funds are distributed 70% to the TTF and 30% to local jurisdictions. The annual loss to the TTF would be \$168,461. Accounting for the October 1 effective date, the loss in fiscal 2004 would be \$126,346.

The Maryland Emergency Medical System Operations Fund would incur a separate revenue loss of \$66,247 in fiscal 2004 and \$88,330 annually due to the nonpayment of the \$11 annual surcharge that supports emergency services.

Local Revenues: The local distribution is split – Baltimore City receives the greater of \$157.5 million or 11.5% and the remainder is distributed to the 23 counties and shared with municipal corporations within the county. It is assumed that this bill would result in a total loss to the jurisdictions of about \$72,197.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mld/jr

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