

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 61

(Senator Munson)

Judicial Proceedings

Environmental Matters

Vehicle Laws - Trailers and Semitrailers - Registration

This bill requires a nonfreight trailer or semitrailer with a maximum gross weight limit of 10,001 to 20,000 pounds to be registered in 10, 1,000 pound gross maximum weight ranges (*i.e.*, 10,001 to 11,000 pounds, 11,001 to 12,000 pounds, etc.). The bill stipulates that the \$124 registration fee for a nonfreight trailer or semitrailer of this weight will still apply. The proposed weight classifications only apply to trailers or semitrailers titled on or after October 1, 2005.

Fiscal Summary

State Effect: Potential increase in Transportation Trust Fund (TTF) expenditures in FY 2006 only for computer programming costs. Potential minimal decrease in TTF revenues for individuals who no longer have to obtain a commercial driver's license (CDL) due to the weight registration requirements.

Local Effect: None.

Small Business Effect: Potentially meaningful for small landscape companies or other small businesses that would be exempt from CDL requirements.

Analysis

Current Law: Trailers and semitrailers are registered with the State as Class G vehicles, which are classified as freight or nonfreight depending upon the type of towing vehicle. Nonfreight vehicles can be a boat or a camping, travel, house, or utility trailer and are designed for towing by a passenger or multipurpose vehicle or a truck.

Gross vehicle weight (GVW) for a single vehicle or gross combination weight (GCW) for a combination of vehicles (*i.e.*, a tow vehicle and something in tow) are defined as the greatest of the following weights:

- the value specified by the manufacturer as the maximum gross weight;
- the operating weight; or
- the registered gross weight.

A nonfreight trailer or semitrailer must have a gross weight of 20,000 pounds or less if towed by a truck or, if towed by a passenger or multipurpose vehicle, have a gross weight of 10,000 pounds or less. The annual registration fee for nonfreight trailers is based on the maximum gross weight according to the following schedule.

<u>Maximum Gross Weight (lbs.)</u>	<u>Fee</u>
3,000 or less	\$25.50
3,001 to 5,000	51.00
5,001 to 10,000	80.00
10,001 to 20,000	124.00

Freight trailers or semitrailers must be designed for towing by a truck or tractor and be in excess of 20,000 pounds gross weight if towed by a truck or over 10,000 pounds gross weight if towed by a tractor. The registration fee for freight trailers or semitrailers is \$38.25.

A commercial motor vehicle that requires a CDL is any vehicle or combination of vehicles that has a GCW of 26,001 or more pounds (including the towed unit) or has a GVW of 26,001 or more pounds. A commercial vehicle may weigh less than 26,000 pounds if it transports 16 or more passengers or transports hazardous materials. An individual who drives a commercial vehicle without the required license faces a mandatory court appearance and can receive up to five points on his/her license if convicted.

State Fiscal Effect: The Motor Vehicle Administration (MVA) advises that it will cost \$75,000 in fiscal 2006 to modify its computer system and \$11,625 to update Internet and intranet documents. Legislative Services advises that, if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce the costs associated with this bill and other legislation affecting the MVA system.

The bill creates more specific vehicle registration weights so fewer individuals or businesses will have to obtain a CDL. Vehicles weighing less than 20,000 pounds but over 10,000 pounds are registered as having a maximum gross weight of 20,000 pounds and thus, may qualify as a commercial vehicle when combined with the weight of the towing vehicle. A CDL costs \$90 to obtain and is issued every five years. The number of licensees affected and the corresponding amount of TTF revenue loss is unknown but is not expected to be significant as vehicle owners are often unaware of the requirement.

Small Business Effect: The bill will benefit companies such as landscape contractors that tow trailers and are subject to the State CDL requirements, though the actual weight of the towing vehicle and trailer is less than 26,001 pounds. According to a 2001 U.S. Census survey, 2,600 landscape contractors in Maryland are self-employed.

Additional Information

Prior Introductions: A nearly identical bill, SB 303 of 2004, passed the Senate and was heard by the House Environmental Matters Committee, but no further action was taken. This bill updates the registration fee for a nonfreight trailer or semitrailer weighing 10,001 to 20,000 pounds to reflect the current fee.

Cross File: None.

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

Fiscal Note History: First Reader - January 25, 2005
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