

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1309

(Delegate Conway, *et al.*)

Environmental Matters

Judicial Proceedings

Vehicle Laws - Vehicles Temporarily Used in Farming - Registration

This bill authorizes the Motor Vehicle Administration (MVA) to offer a temporary 90-day Class K (farm area) vehicle registration to a vehicle that: (1) is owned by a nonresident individual or company under contract with a Maryland farmer to conduct seasonal harvesting; (2) is used to transport perishable commodities directly between a farm and packing plant for sorting and processing; (3) passes a level 1 safety inspection conducted by the Department of State Police; and (4) is only operated within a 35-mile radius of where the harvest will occur.

The bill takes effect June 1, 2005.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues could increase minimally from registration fee revenue. General fund revenue decrease from the penalty provision applicable in prior years under the Maryland Vehicle Law (maximum \$500 fine).

Local Effect: None.

Small Business Effect: Farmers would have reduced expenditures as they would be able to utilize less costly types of vehicles to transport their crops.

Analysis

Bill Summary: The Department of State Police must establish a weight limitation for temporary Class K vehicles. The MVA may establish a registration fee for temporary Class K vehicles. A person must possess a valid driver's license to operate a temporary

Class K vehicle. A vehicle registered as a temporary class K farm vehicle must meet the same minimum insurance requirements as other motor vehicles.

Current Law: Farm equipment means a vehicle that is: (1) designed and adopted only for agricultural, horticultural, or livestock raising operations; (2) designed and adapted only for lifting such a vehicle; or (3) designed and adapted for splitting firewood. Farm equipment also includes silvicultural equipment weighing 62,000 pounds or less gross weight. Farm equipment does not have to be titled, registered, insured, or meet equipment requirements for operation on the highways.

Background: Watermelon is one of the principal crops on the Eastern Shore and an important crop in Maryland. The Maryland Department of Agriculture advises that, in calendar 2003, there were 2,500 acres planted with watermelons and 1,800 acres harvested. The value of the crop was \$3,168,000.

The Maryland Farm Bureau advises that most watermelon farmers on the Eastern Shore use contracted crews to harvest the watermelon. These crews start in Florida and work their way up the eastern seaboard harvesting watermelons and other melon crops.

The contract crews bring their own equipment to transport the watermelons from the fields back to the farms for processing. One part of this equipment is a series of old converted school buses used to haul the melons. The top of the bus is removed, and it is turned essentially into a very large pick-up truck, with carpeted high sides to hold the watermelons. These trucks then drive two or three miles to the farm where the melons are processed.

As these vehicles are owned by non-state residents, these vehicles are not registered in the State of Maryland. In fact, these vehicles are not registered at all, as they are hauled from state to state on flatbed trucks and used solely to transport melons from the fields to the farms.

During the summer of 2004, law enforcement officials ticketed these vehicles extensively. The State Police advised the operators of the vehicles that the only vehicle classification that these vehicles could fall under was a commercial vehicle; however, these vehicles lacked the safety equipment for commercial vehicles. The Maryland Farm Bureau advises that the dollar amount of tickets per converted bus could be as great as several thousands of dollars.

The ticketing of these vehicles almost stopped the watermelon harvest halfway through the season, as the contract crews picking the melons indicated that the crews were willing to leave the State if the ticketing continued. This would have resulted in the loss of half the crop, so some local farmers paid the tickets for the buses owned by the crews working on their land, and the Maryland Farm Bureau agreed to find a permanent solution by the 2005 harvest season.

State Fiscal Effect: The Maryland Farm Bureau advises that approximately 20 to 25 such vehicles would come to Maryland to assist in the harvest. Based on this estimate, the State Police advises that it could perform all required safety inspections with existing resources. The MVA advises that it could handle processing of temporary Class K vehicle registrations (*i.e.*, transactions, registration stickers, applications, etc.) with existing resources.

TTF revenues could increase minimally due to fees for farm vehicle registration; however, based on the likely fee of \$2.50 for temporary registration (the same fee as for farm vehicle registration) and the number of vehicles estimated to require temporary registration, this amount is likely to be about \$50. It is assumed that this revenue would be used to offset the costs involved in vehicle registration and would not be credited to the Gasoline and Motor Vehicle Revenue Account. Therefore, there would not be any distribution to local jurisdictions as highway user revenue. General fund revenues would decrease from the loss of ticket revenue from these vehicles; however, the exact effect cannot be quantified, as there is no way to determine how many tickets were written to these types of vehicles specifically.

Small Business Impact: Farmers would not be forced to rent costly commercial vehicles to transport watermelons from the fields to the farm for processing, which would save thousands of dollars. Further, the contracting crews that own these vehicles would still be able to include vehicle operation in their contracts for increased revenue.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Farm Bureau, Department of State Police, Maryland Department of Transportation, Maryland Department of Agriculture, Department of Legislative Services

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