

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 1502 (Delegate Goodwin)
 Environmental Matters

Vehicle Laws - Special Registration Plates for Class B (For Hire) Vehicles - Prohibition

This bill repeals the Motor Vehicle Administration’s (MVA) authority to issue a commemorative registration plate such as the Chesapeake Bay commemorative registration plate or a registration plate honoring Maryland agriculture to a Class B (for hire) vehicle. Any Class B (for hire) vehicle that currently has such registration plates may keep them until the current registration expires, at which time the MVA must reclaim the plates.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues would decrease by \$1,200 in FY 2007 and by \$1,600 in FY 2008 due to decreased biennial registration renewal fees for agricultural and commemorative registration plates. Potential minimal decrease in TTF revenues due to individuals no longer purchasing such registration plates for Class B (for hire) vehicles. Potential increase in TTF expenditures in FY 2007 only for computer expenditures.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
SF Revenue	(\$1,200)	(\$1,600)	(-)	(-)	(-)
SF Expenditure	-	0	0	0	0
Net Effect	(\$1,200)	(\$1,600)	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: Small businesses that own Class B (for hire) vehicles with commemorative or agricultural license plates will no longer have to pay the biennial \$10 renewal fee; however, this effect would be minimal.

Analysis

Current Law: The MVA may issue special commemorative original or substitute registration plates for any geographical, historical, natural resource, or environmental commemoration of statewide significance. The only such plate currently authorized is the Chesapeake Bay commemorative registration plate. In addition, the MVA may issue the registration plate honoring Maryland agriculture, which benefits the Maryland Agricultural Education Foundation. These plates can be issued for Class A (passenger), Class B (for hire), Class E (truck), Class G (trailer), and Class M (multipurpose) vehicles. The MVA's authorization to offer these plates will expire on July 1, 2008.

In addition to the annual registration fee otherwise required, an owner of a vehicle assigned a commemorative or agricultural registration plate must pay an additional initial registration fee set by the MVA when the new registration plates are issued to the vehicle or an additional renewal fee set by the MVA each time the plate is renewed.

The MVA must set the additional initial registration fee at a level that will enable it to recover its costs. No portion of the additional initial registration or renewal fees may be credited to the Gasoline and Motor Vehicle Revenue Account for distribution. The MVA currently collects additional fees for issuance and renewal of plates that benefit the Chesapeake Bay Trust and the Maryland Agricultural Education Foundation.

State Revenues: According to the MVA, there are currently 129 agricultural and 181 Chesapeake Bay commemorative valid Class B (for hire) registration plates in circulation. Each registration plate is charged an additional \$10 fee, not credited to local governments, upon renewal.

Accordingly, TTF revenues would decrease by \$1,163 in fiscal 2007 and by \$1,550 in fiscal 2008. This estimate takes into account the bill's October 1, 2006 effective date and assumes that half of all Class B (for hire) commemorative and agricultural registration plates expire each year, or 155 annually.

The MVA's authorization to issue Chesapeake Bay and Maryland agricultural registration plates ends at the end of fiscal 2008. At that time, the MVA will cease to charge the additional renewal fee for these plates. If the MVA were to be reauthorized to issue these plates, then TTF revenue loss of \$1,550 on an annualized basis would continue.

In addition, TTF revenues could decrease due to individuals with Class B (for hire) vehicles foregoing the purchase of commemorative or agricultural plates. Alternatively, if the MVA were to make additional commemorative registration plates available, individuals with a Class B (for hire) vehicle would be unable to obtain those plates either.

However, given the small number of Class B (for hire) vehicles that have obtained existing plates, this effect is assumed to be minimal.

State Expenditures: The MVA estimates that it will cost \$135,000 to make computer programming changes. Legislative Services advises that, if other legislation is passed that requires changes to the registration system, economies of scale could be realized and thus lower these programming costs.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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