

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 328

(Senator Stoltzfus)

Judicial Proceedings

Environmental Matters

---

**Vehicle Laws - Motor Vehicles Operated Exclusively on Islands - Registration**

---

This bill alters the definition of a Class K (farm area) vehicle to include an island vehicle. The \$2.50 registration fee applies to an island vehicle. An island vehicle is a motor vehicle that, other than a golf cart, is operated exclusively on an island without State maintained highways that is not accessible by a highway and contains less than 20 miles of highways. An island vehicle may not be operated on a highway in the State that is not on such an island. An island vehicle does not need a safety inspection prior to purchase or registration. The Motor Vehicle Administration (MVA) may not offer a temporary Class K (farm area/island) registration for an island vehicle.

---

**Fiscal Summary**

**State Effect:** Potential minimal increase in Transportation Trust Fund (TTF) revenues in FY 2007 due to unregistered vehicles being registered as Class K (farm area/island) vehicles. Potential minimal decrease in TTF revenues due to vehicles currently registered with the MVA switching registrations. Any increase in workload could be handled with existing resources.

**Local Effect:** Local government revenues could increase or decrease minimally in FY 2007 due to an increase or decrease in Gasoline and Motor Vehicle Revenue Account (GMVRA) revenues distributed to local governments as highway user revenues.

**Small Business Effect:** Minimal.

---

## Analysis

**Current Law:** State law defines a vehicle as any device in, on, or by which an individual or property is or might be transported or towed on a highway. With certain exceptions, the owner of a vehicle must obtain a certificate of title. If a vehicle is also defined as a motor vehicle, which means it is self-propelled or propelled by electric power obtained from overhead electrical wires and does not operate on rails, it must be registered, with certain exceptions.

Most registered vehicles are subject to a fee, paid biennially, that varies according to vehicle class and a \$13.50 surcharge per year collected primarily for the Maryland Emergency Medical Systems Operation Fund (MEMSOF), unless exempted. Registration fee revenue is deposited into the GMVRA in the TTF – 70% is retained in the TTF and local jurisdictions receive the remainder as highway user revenues.

Motor vehicles must be inspected and tested every other year under the Vehicle Emissions Inspection Program. Electric vehicles are exempt from this requirement.

Vehicles and motor vehicles are also subject to the requirements of the Maryland Vehicle Law. In general, persons convicted of a misdemeanor for violating any provision of the Maryland Vehicle Law are subject to a fine of up to \$500.

**Background:** Islands are a significant, though small, part of Maryland's culture and heritage. For example, Smith Island, inhabited since 1657, is located in Chesapeake Bay in Somerset County. Smith Island is made up of approximately three islands close together, with a land mass eight miles long and four miles wide. Census data from 2000 placed the population at 364 individuals with 126 registered vehicles. Crabbing is Smith Island's main industry. Smith Island is only accessible by a 45-minute passenger ferry ride and is so small many individuals use golf carts or bikes – including visitors – to get around, and there are no taxis. Smith Island has no elected officials; instead, the local church board and residents collectively make community decisions. It is a popular tourist attraction.

The tidal marshes of Taylor's Island have been relatively untouched by the development of small towns and villages on the nearby shores. It has a population of 178 and 80 registered vehicles. Small "islands" of Loblolly Pine and Cedar Forest dot the marsh system. This large island, comprising 1,100 acres, is a classic illustration of Chesapeake Bay tidal marsh habitat and also has some historic houses. It is accessible primarily by boat.

**State Revenues:** The number of vehicles to which this bill applies is unknown, as there are other islands beside Smith and Taylor's Island with vehicles in use. The MVA estimates the bill is likely to apply to fewer than 1,500 vehicles.

For every 100 vehicles currently registered with the MVA which would switch to a Class K (farm area/island) registration, the annual revenue loss would be \$5,673, if the weight and type of vehicle population mirrors the State's as a whole. Seventy percent of that would be retained by the TTF, or approximately \$3,971 annually. Since vehicles are registered on a biennial basis that amount would be doubled for a full fiscal year.

On the other hand, there could be other island vehicles not currently registered, which would be eligible for registration as a result of this bill, *e.g.*, the exemption from a safety inspection. Moreover, the low registration fee could induce individuals to purchase a vehicle for use on an island or register a currently owned but unregistered vehicle. This could lead to an increase in revenues, although any such increase could not be reliably projected.

**Local Revenues:** Local highway user revenues from the GMVRA could increase or decrease minimally due to an increase or decrease in registration revenues collected.

**Additional Comments:** Although the MVA advises that adding island vehicles to the classification of farm area vehicle would have no fiscal impact, it cautions that computer reprogramming costs to track how many Class K (farm area/island) vehicles were island vehicles and how many were farm area vehicles would total \$45,000.

---

### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 5, 2006  
mam/ljm Revised - Senate Third Reader - March 28, 2006

---

Analysis by: Nora C. McArdle

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510