

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 31 (Delegate Sophocleus)
 Environmental Matters

Vehicle Laws - Registration Plates Honoring Emergency Medical Services Providers

This bill directs the Motor Vehicle Administration (MVA) to develop and produce, in consultation with the State Emergency Medical Services Board, a registration plate to honor the contributions of emergency medical services providers.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues could increase by \$200,000 and TTF expenditures could increase by \$191,600 in FY 2009. Potential additional substantial increase in TTF expenditures in FY 2009 only for computer costs. Out-year expenditures reflect elimination of one-time-only costs, fewer transactions, and inflation.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
SF Revenue	\$200,000	\$20,000	\$20,000	\$20,000	\$20,000
SF Expenditure	191,600	7,900	7,900	7,900	7,900
Net Effect	\$8,400	\$12,100	\$12,100	\$12,100	\$12,100

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible for this special registration plate, an applicant must provide proof to MVA of licensure or certification as an emergency medical services

provider. These providers include cardiac rescue technicians, emergency medical dispatchers, emergency medical technicians (both at the basic and paramedic levels), and first responders. In addition to the State motor vehicle registration fee, applicants for this plate must pay a one-time fee set by MVA to recover its costs each time new plates are issued for the vehicle. None of the revenues from this fee may be credited to the Gasoline and Motor Vehicle Revenue Account (GMVRA).

The plate may be purchased by the owner, lessee (if the lease is not intended as security), director, officer, employee, or partner of a business entity that owns one of the following classes of vehicles:

- Class A (passenger);
- Class E (truck);
- Class G (trailer);
- Class M (multipurpose); and
- Class D (motorcycle).

Current Law: MVA may issue special commemorative original or substitute registration plates for any geographical, historical, natural resource, or environmental commemoration of statewide significance. These plates may be issued for Class A (passenger), Class E (truck), Class G (trailer), and Class M (multipurpose) vehicles. In addition to the annual registration fee otherwise required, an owner of a vehicle assigned a commemorative registration plate generally must pay an additional initial registration fee set by MVA when the new registration plates are issued to the vehicle, or an additional renewal fee set by MVA each time the plate is renewed.

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 GMVRA. Any surplus money remaining after MVA has recovered the costs of issuing a commemorative plate, may not be retained by, or transferred to, any State agency for any purpose.

MVA currently collects additional fees for issuance and renewal of plates that benefit the Chesapeake Bay Trust and the Maryland Agricultural Education Foundation, Inc. The current additional fee for both the Chesapeake Bay Trust plate and the agricultural plate is \$20 for initial issuance and \$10 for renewal. Class D vehicles (motorcycles) are not eligible for these plates.

Thirty percent of registration fee revenues collected by MVA is distributed to local jurisdictions through the GMVRA. However, as noted above, revenues from special commemorative plates are often exempt from this requirement.

Background: According to the Maryland Institute for Emergency Medical Services Systems there were 29,348 emergency medical service providers in Maryland at the end of fiscal 2007.

State Fiscal Effect: In order to allow MVA to recover the costs associated with this bill in fiscal 2009, it would need to set the initial registration plate fee at \$20 or more per plate. For purposes of this estimate, the initial registration plates would be priced at \$20 per plate based on the following assumptions:

- plate design and manufacturing would cost \$46,400;
- the cost of promoting the plate and altering renewal flyers would be \$66,640;
- contractual costs, including a customer agent to conduct customer transactions and verify eligibility, would be \$58,600;
- other operating costs would be \$10,000; and
- MVA would issue 10,000 plates in fiscal 2009 and 1,000 plates annually thereafter.

Operating Expenses	\$133,040
Contractual Costs	58,600
Total FY 2009 State Expenditures	\$191,640

Thus, a fee of \$20 per plate would generate \$200,000 in fiscal 2009 and make the special registration plate in this bill competitively priced with other special registration plates offered by MVA, including those benefiting Maryland Agricultural Education and the Chesapeake Bay. Future year expenditures reflect a 2% annual increase in ongoing operating expenses and the elimination of certain start-up costs.

MVA advises that computer reprogramming costs of \$270,000 would be necessary for a more complex plate design and would require the plate fee to more than double to \$46 per plate. 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, should reprogramming costs be necessary.

Additional Comments: Legislative Services observes that, as additional special plates are created and create more competition among vehicle owners, the sales for all special plates could diminish as a result.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Institute for Emergency Medical Services Systems, Maryland Department of Transportation, Department of Legislative Services

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ncs/ljm

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