

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

Senate Bill 391 (Senators Astle and DeGrange)
 Finance

**Maryland Automobile Insurance Fund - Payment of Fees for Motor Vehicle
 Records - Required**

This bill requires the Maryland Automobile Insurance Fund to pay the fee imposed on insurers and other entities for motor vehicle records provided by the Motor Vehicle Administration to MAIF.

Fiscal Summary

State Effect: Transportation Trust Fund revenues could increase by approximately \$4.6 million in FY 2009 and approximately \$6.2 million annually thereafter. General fund revenues from the insurance premium tax would increase by the amount that MAIF increases its premiums because of the bill. Expenditures would not be affected.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
GF Revenue	-	-	-	-	-
SF Revenue	4,637,800	6,183,800	6,183,800	6,183,800	6,183,800
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$4,637,800	\$6,183,800	\$6,183,800	\$6,183,800	\$6,183,800

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

MAIF: MAIF's nonbudgeted expenditures to purchase documents from MVA would increase in the same amounts that TTF revenues would increase. Any such increase would be offset by an increase in nonbudgeted revenues from higher premiums and/or a decrease in MAIF commission payments to MAIF producers.

Local Effect: The bill would not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: MVA may furnish on request a copy or certified copy of any MVA record. MVA may establish and charge a fee for each record it furnishes or certifies.

State Revenues: MVA charges governmental units \$0.025 for each record obtained but charges \$9.00 to businesses, including insurers. MAIF currently pays the rate charged to governmental units for records it obtains from MVA and obtains approximately 689,000 records annually. Thus, TTF revenues would increase by the difference between the two prices (\$8.975) multiplied by the number of documents purchased. Therefore, TTF revenues could increase by approximately \$4,637,831 in fiscal 2009, which reflects the bill's October 1, 2008 effective date and assumes that the number of records obtained remains stable. TTF revenues could increase by approximately \$6,183,775 annually thereafter.

MAIF: MAIF's expenditures to purchase records would increase by the same amount that TTF revenues would increase. MAIF would offset any increase in its expenditures by passing the cost on to its insurance policyholders in the form of higher premiums and/or to its insurance producers in the form of commission deductions. MAIF estimates that this cost would be approximately \$60 per policy.

Additional Information

Prior Introductions: An identical bill, SB 788 of 2007, received a hearing in the Senate Finance Committee but no further action was taken. Its cross file, HB 953 was heard in the House Economic Matters Committee and was subsequently withdrawn.

Cross File: None.

Information Source(s): Maryland Automobile Insurance Fund; Department of Legislative Services

Fiscal Note History: First Reader - February 29, 2008
ncs/hlb

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