HB 430

Department of Legislative Services

Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 430 (Delegate Elliott, *et al.*)
Environmental Matters

Vehicle Laws - Single Registration Plate

This bill institutes a one registration plate requirement, repealing the requirement to display both a front and rear registration plate for most vehicle classes. The registration plate must be attached to the rear of most classes of vehicle.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures may decrease by about $533,000 in FY 2010 and by more than $717,800 beginning in FY 2011 due to reduced postage and production costs associated with scaling down to a single registration plate requirement. TTF revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	$0	$0	$0	$0	$0
SF Expenditure	(533,000)	(717,800)	(725,000)	(732,200)	(739,500)
Net Effect	$533,000	$717,800	$725,000	$732,200	$739,500

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: All vehicles are required to display two registration plates, unless they are in one of three vehicle classes. Class D (motorcycle), Class F (tractor), and Class G (trailer) vehicles are exempt from the two registration plate requirement. Class F vehicles are required to display the registration plate on the front of the vehicle. Historic and

antique vehicles must display current registration plates in the places provided on the vehicle. In addition, the Motor Vehicle Administration (MVA) must issue only one plate for vehicles with temporary registration.

Each registration plate must display the name of the State and the registration number assigned to the vehicle. After the plates have been issued, MVA may order their continued use in subsequent registration years and must issue a validation tab to show payment of the vehicle registration fee.

An owner of a motor vehicle may not drive the vehicle or permit it to be driven on any highway in Maryland without validated registration plates, unless otherwise expressly authorized by MVA. Expired registration plates may not be displayed. A violation of these provisions is a misdemeanor, subject to a fine of up to $500.

Background: According to the National Conference of State Legislatures, as of July 2007, 20 states, including Delaware and Pennsylvania, allow one registration plate to be issued for some vehicle classes. The remaining 30 states require two plates. Several states only require one for certain types of vehicles such as motorcycles, trailers, or all-terrain vehicles. Kansas issues two plates but allows the vehicle owner to decide whether to display one or two plates.

A report by the National Conference of State Legislatures describes advantages and disadvantages of a two-plate system. Supporters of such a system contend that a front and rear license plate helps vehicle law enforcement and increases safety. Disadvantages of issuing two plates include potential fraud, particularly when only one has to be displayed, because the recipient can use one of the plates for an unregistered vehicle and avoid paying registration taxes.

State Expenditures: TTF expenditures decrease by about $533,010 in fiscal 2010, which accounts for the bill's October 1, 2009 effective date. This estimate reflects the savings from procuring and mailing fewer registration plates as well as the recent downturn in vehicle purchases. The information and assumptions used in calculating the estimate are stated below:

- the cost of procuring registration plates from Maryland Correctional Enterprises by MVA is reduced about $490,500 in fiscal 2010; and

- MVA reduces the mailing costs for regular registration plates by $17,816, for steel vanity plates by $21,837, and for first-class mailings by $2,857 in fiscal 2010.

	FY 2010	FY 2011
Registration Plate Procurement	$490,500	$660,540
Mailing	42,510	57,246
Total FY 2010 State Expenditure Savings	**$533,010**	**$717,786**

Future year expenditure savings reflect annualization and 1% annual increases in ongoing operating expenses. To the extent that motor vehicle sales increase along with an economic recovery, future year savings may increase.

Additional Comments: Legislative Services notes the bill requires MVA to issue only one plate, but it does not require that each existing registered vehicle have only one plate. If all registered vehicles were required to have only one plate, the costs of implementing this standard could increase significantly but the standard could also significantly reduce the potential for fraud. For example, requiring all registered vehicles to comply immediately, or within a specified phase-in period, would necessitate that MVA retain a substantial number of contractual employees to collect the existing front plates. In addition, a contractual program administrator or auditor would be necessary to account for all collected plates.

Additional Information

Prior Introductions: SB 332 of 2008 incorporated similar provisions; SB 332 received an unfavorable report from the Senate Judicial Proceedings Committee. Nearly identical bills were introduced in the 2001 and 2003 sessions. SB 61 of 2003 received an unfavorable report from the Senate Judicial Proceedings Committee, and HB 475 of 2001 received an unfavorable report from the Commerce and Government Matters Committee.

Cross File: None.

Information Source(s): National Conference of State Legislatures, Department of Public Safety and Correctional Services, Maryland Department of Transportation, Department of Legislative Services

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mcp/ljm

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