

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 558 (Delegate Ali, *et al.*)
Environmental Matters

Rental Car Parking Ticket Fairness Act

This bill exempts the owner of a rental vehicle from liability for a parking citation-related fine or other penalty, if the vehicle was in the possession of a lessee when the citation was issued. However, within 30 days of receiving notice of the citation, the owner has to electronically send to the appropriate political subdivision or State agency specified information, including contact information on the lessee. A political subdivision or State agency may then mail a citation to the lessee in possession of the vehicle at the time of the violation. The bill also prohibits a political subdivision or State agency from placing a wheel clamp on a rental vehicle.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by approximately \$39,800 in FY 2010 due to the collection by the Motor Vehicle Administration (MVA) of fewer administrative flag fees assessed against rental vehicle registrations. Additionally, special fund and TTF revenues decrease minimally at several State agencies beginning in FY 2010 to the extent that fewer parking citation fines are collected from individuals than are currently being collected from rental car companies. Expenditures are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	(\$39,800)	(\$53,000)	(\$53,000)	(\$53,000)	(\$53,000)
Expenditure	0	0	0	0	0
Net Effect	(\$39,800)	(\$53,000)	(\$53,000)	(\$53,000)	(\$53,000)

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

Local Effect: Local government revenues decrease minimally beginning in FY 2010 to the extent that fewer parking citation fines are collected from individuals than are currently being collected from rental car companies. Expenditures are not likely to be affected.

Small Business Effect: Potential minimal beneficial effect for small business rental car companies.

Analysis

Current Law: If a parking citation is issued for a rental vehicle, the owner is not liable for any penalty *in excess of the original fine* for a parking violation unless the owner fails to pay the fine or file a notice of intention to stand trial for the violation within the time specified. If a local government or State agency receives payment for a parking violation from both the owner of the vehicle and the person who had possession of the vehicle at the time the parking citation was issued, the owner of the vehicle is entitled to reimbursement for the amount it paid.

State/Local Fiscal Effect: Current law authorizes State agencies and local governments to adopt regulations and ordinances that regulate the parking of vehicles and issuance of parking citations. A number of State agencies collect fines based on the issuance of parking citations, and all fines are to be paid to the relevant agency and not the District Court. The bill does not alter the collection or payment of parking citation fines; however, to the extent that individuals are less likely than rental car companies to pay parking citation fines, fine revenue decreases.

In calendar 2008, 1,767 administrative flag removal fees were paid by rental car companies to MVA. In order to remove an administrative flag placed by MVA on a vehicle's registration, the vehicle owner must pay the \$30 flag removal fee. However, because flags are placed on a vehicle's registration and not on a driver's record, under the bill, a State agency or local government cannot have a flag placed on a rental vehicle's registration. Assuming a constant annual rate of administrative flag removal requests, the TTF revenue loss is approximately \$39,800 in fiscal 2010 and \$53,000 in subsequent years.

Additional Information

Prior Introductions: None.

Cross File: SB 252 (Senator Astle) - Judicial Proceedings.

Information Source(s): Charles, Frederick, Montgomery, and Somerset counties; City of Havre de Grace; Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History:
mcp/ljm

First Reader - February 8, 2009
Revised - Correction - March 2, 2009

Analysis by: Evan M. Isaacson

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