

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 94

(Delegate Haddaway-Riccio, *et al.*)

Environmental Matters

Judicial Proceedings

Vehicle Laws - Special and Commemorative Registration Plates

This bill repeals the termination date of the requirement for the Motor Vehicle Administration (MVA) to issue special Maryland agriculture plates and the authorization to issue Chesapeake Bay commemorative registration plates. The bill also repeals the authorization for MVA to produce a special commemorative geographical, historical, natural resource, or environmental registration plate and instead requires MVA to issue the Chesapeake Bay commemorative registration plate.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues and expenditures associated with the issuance of the special commemorative agriculture and Chesapeake Bay plates are maintained beyond FY 2013. In FY 2011, MVA retained about \$778,000 to recover the cost of issuing the Chesapeake Bay commemorative registration plate and about \$111,200 to recover the cost of issuing the Maryland agriculture plate.

Local Effect: To the extent that local governments receive grant funds from the Chesapeake Bay Trust or the Maryland Agricultural Education Foundation, those revenues are also maintained beyond FY 2013.

Small Business Effect: None.

Analysis

Bill Summary: The bill specifies that any surplus revenues from the collection of initial registration fees and additional renewal fees associated with the Chesapeake Bay commemorative registration plate, above the amount collected for recovering the cost of

issuance, are disbursed to the Chesapeake Bay Trust. MVA must consult with the Chesapeake Bay Trust regarding the establishment of a schedule for the transfer of revenue collected and must develop regulations detailing the plan for the distribution of such funds. The bill repeals the maximum two-year period of validity authorized for commemorative plates, which currently applies to Chesapeake Bay commemorative registration plates.

Current Law: MVA is authorized to issue special commemorative geographical, historical, natural resource, or environmental registration plates (such as the current Chesapeake Bay plate), but it is required to produce special Maryland agriculture registration plates. The authorization for both special registration plate programs terminates on June 30, 2013.

For the Chesapeake Bay plate, MVA must set an additional initial registration fee at a level that will enable it to recover its costs and may also set the fee so as to produce a surplus to be disbursed only to a nonprofit organization that is closely related to the theme that the plate commemorates. Likewise, any additional renewal fees set by MVA must also be disbursed only to the designated nonprofit organization. Currently, the designated beneficiary of such surplus funds is the Chesapeake Bay Trust.

For the agriculture plate, MVA must set the initial registration plate issuance fee to recover the costs of the plate's issuance. Additionally, MVA must set a fee to be paid when the plate is initially issued and each time the plate is renewed to benefit the Maryland Agricultural Education Foundation, Inc. MVA must consult with the foundation on setting the level of the renewal fee to encourage the purchase of the plate and on the design of the plate.

Background: The goal of the Chesapeake Bay Trust is to increase stewardship through grant programs, special initiatives, and partnerships that support environmental education, demonstration-based restoration, and community engagement activities. The trust receives approximately \$4 million in contributions annually and reinvests those funds through a variety of grant programs in community-led projects. The trust has received over 10,000 grant requests and has awarded over \$40 million to support environmental education and habitat restoration projects that have measurable impacts on the environment.

The Maryland Agricultural Education Foundation was established in 1989 as recommended by a Governor's task force. The foundation's mission is to promote the understanding and appreciation of the importance of agriculture in our daily lives. The foundation conducts a variety of educational and promotional programs throughout the

State using agriculture, nutrition, and natural resources as the tools for teaching core subjects such as math, language arts, and science.

Additional Comments: By repealing the termination date of the authorization for the Chesapeake Bay plate, the bill continues the disbursement of funds beyond fiscal 2013 for the Chesapeake Bay Trust, a small nonprofit entity. In fiscal 2011, MVA disbursed \$4,035,570 to the Chesapeake Bay Trust. Similarly, by repealing the termination date of the Maryland agriculture plate, the bill continues the disbursement of funds beyond fiscal 2013 for the Maryland Agricultural Education Foundation, Inc., a small nonprofit entity. In fiscal 2011, MVA disbursed \$737,758 to the Maryland Agricultural Education Foundation.

Additional Information

Prior Introductions: None.

Cross File: SB 20 (Senator Astle) - Judicial Proceedings.

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

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Analysis by: Evan M. Isaacson

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