

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 25

(Senator Jacobs)(By Request)

Judicial Proceedings

Environmental Matters

Vehicle Laws - Historic Motor Vehicles - Trucks, Tractors, and Motor Homes

This bill establishes separate historic vehicle registration requirements that apply to trucks (Class E) with a gross vehicle weight of greater than 10,000 pounds, tractors (Class F), or multipurpose (Class M) motor homes. To be registered as an historic vehicle, such a vehicle must be at least 25 years old. These vehicles may not be used for general daily transportation or any commercial transportation of passengers or property on highways.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) finances are not anticipated to be significantly affected, as discussed below. The bill can be implemented by the Motor Vehicle Administration (MVA) with existing resources.

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: Generally, the registration requirements for the separate classes of historic vehicles established by the bill are the same as for other historic vehicles under current law. However, in addition to increasing the minimum age from the generally applicable 20 years under current law to 25 years under the bill and establishing a prohibition on the use of these vehicles for general daily transportation or any commercial transportation of passengers or property on highways, the bill also establishes a few additional distinctions in the historic vehicle registration requirements relative to other generally applicable requirements for historic vehicles.

Currently, an historic motor vehicle is defined as a motor vehicle, including a passenger vehicle, motorcycle, or truck, that is at least 20 years old, has not been substantially altered from the manufacturer's original design, and meets criteria contained in MVA regulations. As noted, the bill requires that vehicles in classes specified by the bill be at least 25 years old.

The owner of an historic motor vehicle currently must certify that the vehicle will only be used in exhibitions, club activities, parades, tours, *occasional transportation*, and similar uses, and not for general daily transportation or primarily for the transportation of passengers or property on highways. However, the bill removes from the certification statement on the historic vehicle application the stipulation that the vehicle may be used for "occasional transportation," and adds that the vehicle "is insured by a historic vehicle, a show vehicle, or an antique vehicle insurance policy."

Despite the certification as to how the historic vehicle will be used, current law does not specifically *prohibit* historic vehicles from being used in other manners. However, MVA is authorized by regulation to suspend the registration of an historic vehicle for use that is inconsistent with the registration requirements; it is unclear how or whether this is currently enforced. Under the bill, historic vehicles of the classes described in the bill are prohibited from being used for general daily transportation or any commercial transportation of passengers or property on highways.

Currently, historic vehicles are exempt from the requirement to contain certain equipment unless the presence of the equipment was specifically required by a statute of this State as a condition of sale when the vehicle was manufactured. Historic vehicles are also exempt from any periodic vehicle inspections required by statute, including inspection of emission controls. However, the bill clarifies that, although historic vehicles are exempt from these inspections, police officers are not limited in their authority to issue a safety equipment repair order for defective equipment.

Currently, on registration of an historic vehicle, MVA must issue a special, historic motor vehicle registration plate of a size and design determined by MVA. However, historic vehicles registered in Maryland, or in another state when used in Maryland, may display vintage registration plates as an indication of the historic or antique nature of the vehicle.

An historic vehicle is generally subject to a \$25.50 annual registration fee, except that a motor vehicle manufactured at least 60 years prior to the current model year is only subject to a one-time registration fee of \$50.00. For an historic vehicle at least 60 years old, current law prohibits the transfer of the vehicle's registration to a subsequent owner. This restriction now applies also to vehicles that are at least 60 years old in the separate classes established by the bill.

Background: Although not specifically authorized, MVA has traditionally registered many vehicles of the classes specified in the bill as historic vehicles. However, current MVA policy, as reflected on the historic vehicle registration application form, is to deny historic registration for motor homes, tow trucks, tractors, and trailers.

State Revenues: The Department of Legislative Services advises that a reliable fiscal estimate cannot be made at this time due to limited data and numerous uncertainties. For example, it is unknown whether the owners of motor homes, tow trucks, tractors, and trailers, which had previously been registered as historic but do not qualify for historic registration under current policy, will (1) register the vehicle under the currently applicable vehicle class with a significantly higher registration fee; or (2) not register the vehicle. Thus, the impact of this bill on TTF revenues is dependent on the current and future registration decisions of these vehicle owners in the absence of the bill.

If vehicle owners would otherwise register their vehicles under the currently applicable vehicle classes, then authorizing these owners to instead register their vehicles as historic under the bill will result in a potentially significant decrease in TTF revenues. However, if vehicle owners would opt to no longer use or register their vehicle in the absence of the bill, then collection of the \$25.50 annual historic registration fee under the bill will result in a minimal *increase* in TTF revenues. Thus, while a reliable estimate of the impact of the bill cannot be made at this time due to uncertainty as to the current and future registration decisions of many vehicle owners, it is likely that the differing registration decisions of each vehicle owner will have offsetting fiscal impacts and an immaterial overall impact on TTF finances.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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