

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 137 (Delegate Frick)
Environmental Matters

Vehicle Laws - Death of Joint Vehicle Owner - Certificate of Title Fee

This bill prohibits the Motor Vehicle Administration (MVA) from charging a fee for the issuance of a certificate of title to the surviving owner of a vehicle that had been jointly owned.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease, potentially by an average of about \$310,000 annually, due to the collection of fewer certificate of title fees. Expenditures are not affected as MVA can likely handle the anticipated computer reprogramming work with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The owner of a vehicle in Maryland must have a certificate of title, unless the vehicle or owner is specifically exempt. The Budget Reconciliation and Financing Act of 2011 (Chapter 397) increased the fee for issuance of a certificate of title from \$50 to \$100.

MVA regulations require a joint owner applying for title by right of survivorship to provide MVA with a death certificate, a completed application for certificate of title, and the title bearing the names of the decedent and the applicant or applicants. The transfer of a title is exempt from the vehicle titling tax, *but not the title fee*, if it is transferred to a

spouse, son, daughter, grandchild, parent, sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law and no money or other valuable consideration is involved in the transfer; also exempt from the vehicle titling tax is a transfer to a legal heir, legatee, or distributee.

State Revenues: Legislative Services advises that a reliable estimate of the decrease in TTF revenue under the bill cannot be made at this time due to significant uncertainty as to the number of times the surviving owner of a vehicle that had been jointly owned obtains a new title each year, and due to the annual variability in the number of such instances.

However, *for illustrative purposes only*, TTF revenues may decrease by roughly \$310,000 on an annual basis. This is based on data from MVA and the Maryland Vital Statistics Administration that there are 6,231 currently titled vehicles with a deceased co-owner. According to MVA, each vehicle owner will be required to retitle the vehicle in their name following the death of the previous joint owner prior to renewing the vehicle's registration. Thus, TTF revenues decrease by at least \$623,100 under the bill as MVA will no longer collect the \$100 title fee on the retitling of these vehicles. Because vehicles are registered biennially, the loss will be distributed across fiscal 2013 and 2014.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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