

Department of Legislative Services  
 Maryland General Assembly  
 2012 Session

FISCAL AND POLICY NOTE

House Bill 297 (Delegate Weir, *et al.*)  
 Environmental Matters

**Motor Vehicle Registration Fees - Exemptions - Gold Star Wives of America, Inc.**

This bill expands the current exemption from the requirement to pay vehicle registration fees to apply also to a motor vehicle owned and personally used by a member of the Gold Star Wives of America, Inc., who has not remarried and who submits a copy of a specified form from the National Personnel Records Center with the registration application.

**Fiscal Summary**

**State Effect:** Special fund revenues decrease by about \$17,100 in FY 2013 and by \$19,800 or more annually beginning in FY 2014 due to the collection of fewer vehicle registration fees and associated surcharges. The FY 2013 Transportation Trust Fund (TTF) revenue decrease accounts for the bill’s effective date as well as additional registration fee refunds provided by the Motor Vehicle Administration (MVA) to eligible individuals. TTF expenditures are not materially affected as any computer reprogramming and reprinting is likely to be minimal and can likely be handled with existing resources.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SF Revenue	(\$17,100)	(\$19,800)	(\$20,000)	(\$19,800)	(\$20,000)
Expenditure	0	0	0	0	0
Net Effect	(\$17,100)	(\$19,800)	(\$20,000)	(\$19,800)	(\$20,000)

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

**Local Effect:** Minimal reduction in local highway user revenues.

**Small Business Effect:** Minimal.

## Analysis

**Current Law:** The Maryland Vehicle Law exempts the owner or operator of several types of vehicles from registration fees, including:

- a vehicle that is owned and operated by the federal, State or a local government in Maryland, the Civil Air Patrol, a unit of a national veterans' organization, or a Maryland chapter of the American Red Cross;
- a vehicle owned by a volunteer fire company incorporated in Maryland or by a rescue squad that is used for firefighting or ambulance purposes;
- a canteen wagon of a recognized fire buff organization, as certified by the International Fire Buffs Association;
- a motor vehicle and trailer known as the "40-8 box car" that is owned and operated only for social or charitable purposes by any voiture of the Forty and Eight of the American Legion;
- a vehicle that is owned and personally used by a veteran with specified physical disabilities, or by an individual age 65 or older who is the surviving spouse of a deceased disabled veteran; and
- a Type I or Type II school vehicle owned and operated by a religious organization.

Chapter 694 of 2008 established a special registration plate available exclusively for a recipient of a U.S. Department of Defense Gold Star, indicating status as a surviving spouse, parent, or next of kin of a member of the armed forces who lost his/her life in combat. The special registration plate is required to contain an emblem or logo indicating that the registration plate holder is a Gold Star recipient.

**Background:** Gold Star Wives of America, Inc. is a nonprofit 501(c)(4) national military widows service organization chartered by the United States Congress. Gold Star Wives of America was organized in 1945 by the war widows of World War II and now has approximately 10,000 members with 53 chapters in 26 states. The primary mission of Gold Star Wives of America is to provide service, support, and friendship to the widows and widowers of military personnel who died on active duty or as the result of a service-connected cause.

**State/Local Revenues:** Special fund revenues may decrease by \$17,104 in fiscal 2013, which accounts for the bill's October 1, 2012 effective date and for refunds provided to

Gold Star Wives who registered their vehicles prior to the bill's effective date but had paid for the second year of the biennial registration. Special fund revenues decrease by \$19,771 in fiscal 2014 and \$19,965 in fiscal 2015 due to annualization and biennial renewal. MVA advises that there are 340 Gold Star Wives in Maryland, but it does not have information as to the marital status of any of these individuals. Assuming that 75% of the individuals have not remarried, then 255 individuals will be eligible for a registration fee exemption under the bill, which also results in an exemption from the payment of registration surcharges distributed to various special funds. MVA further assumes that 90% of these individuals own a Class A or M vehicle and 10% own a Class E vehicle. Of the Class A vehicles, MVA assumes that 75% weigh 3,700 pounds or less and are subject to a \$128 biennial fee, and 25% weight over 3,700 pounds and pay a \$180 biennial fee. Finally, without additional information, it is assumed that half of these vehicles' registrations will be renewed in fiscal 2013 and half in fiscal 2014.

Most of the foregone revenue would have been retained in TTF at the State level; however, a portion would have been shared with local governments as highway user revenue. Based on the estimate above, the revenue loss to local governments is \$1,750 or less each year. Likewise, the revenue loss to special funds for emergency management operations and trauma physicians is less than \$1,730 each year.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation; Maryland Department of Transportation; Department of Veterans Affairs; Gold Star Wives of America, Inc.; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2012  
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