

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 320 (Delegate Elliott, *et al.*)
Environmental Matters

Vehicle Laws - Displaying Front Registration Plate - Exemption for Class L
(Historic) and Class N (Street Rod) Vehicles

This bill establishes an exception from the requirement to display a front registration plate that applies to Class L (historic) and Class N (street rod) vehicles. The registration plate not attached to the rear of one of these vehicles must be easily accessible within the vehicle.

Fiscal Summary

State Effect: General fund revenues decrease, likely minimally, due to a reduction in the number of penalties collected for driving with only one registration plate displayed. Maryland Transportation Authority (MDTA) nonbudgeted revenues decrease, likely minimally, to the extent that some vehicles that illegally pass through an MDTA toll facility cannot be identified with one fewer plate affixed to the exterior of the vehicle. Expenditures are not affected.

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

Small Business Effect: Minimal.

Analysis

Current Law: All vehicles are required to display two registration plates, unless they are in one of three vehicle classes. Class D (motorcycle), Class F (tractor), and Class G (trailer) vehicles are exempt from the two-registration plate requirement. In addition, the Motor Vehicle Administration (MVA) must issue only one plate for vehicles with temporary registration. Class F vehicles are required to display the registration plate

on the front of the vehicle, while all other vehicles issued a single plate must affix the plate to the rear. Historic and antique vehicles must display current registration plates in the places provided on the vehicle. A violation of the requirement to attach a registration plate to the front and rear of a vehicle is a misdemeanor and carries a fine of up to \$500 or a prepayment fine of \$70.

Background: Many older vehicles and some current-year models have been designed without a registration plate incorporated in the design and without additional parts available from the manufacturer to attach registration plates. The owners of such vehicles may be required to purchase additional after-market parts from third-party automotive suppliers, if available, or attach the registration plate without automotive parts designed for this purpose.

According to the National Conference of State Legislatures, as of July 2012, 19 states, including Delaware, Pennsylvania, and West Virginia, allowed one registration plate to be issued for some vehicle classes. The remaining 31 states and the District of Columbia required two plates. Several states only required one plate for certain types of vehicles such as motorcycles, trailers, or all-terrain vehicles.

According to a 2012 study by the Texas A&M Transportation Institute, the issuance of two license plates created fiscal and other resource efficiencies in the areas of enforcement, tolling, parking, and homeland security. For example, the study reported that, in Virginia, 23% of toll violations could not be pursued because the rear plates were unreadable. The study also reported that, in field studies using advanced vehicle identification technology, the registration plate identification rate for moving vehicles was 89% in Maryland, compared with 22% in Pennsylvania where only a single registration plate is required.

State Revenues: General fund revenues decrease minimally beginning in fiscal 2015 due to the elimination of penalties under the Maryland Vehicle Law for driving with only one registration plate for Class L and N vehicles. Although a reliable estimate of this revenue loss cannot be made, *for illustrative purposes only*, general fund revenues may decrease by about \$11,700 in fiscal 2015 and by about \$15,600 annually thereafter, which reflects the following assumptions:

- the number and percentage of violations resulting in a prepaid fine in fiscal 2015 and future years would otherwise remain constant at the average of fiscal 2011 through 2013 levels (10,827 and 74.1%);
- Class L and N vehicles comprise about 2.5% of registered vehicles in Maryland;
- one-half of the violations for failure to display two registration plates in accordance with current law are attributed to driving with only one registration plate;

- the conviction rate in contested cases is 50% and results in the payment of a fine of one-half of the statutory maximum; and
- fines and penalties in fiscal 2015 and future years remain at current levels.

Nonbudgeted revenues may also decrease minimally as the toll collection rate at MDTA facilities likely decreases significantly. MDTA advises that, although its electronic toll facilities photograph both the front and rear of the car, the identification rate is significantly lower for vehicles that only display one registration plate. A reliable estimate of this revenue loss cannot be made, but it is not likely to be significant as Class L and N vehicles only comprise about 2.5% of registered vehicles in the State, and only a fraction of these vehicles may use electronically tolled lanes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police, Maryland Department of Transportation, National Conference of State Legislatures, Texas A&M Transportation Institute, Department of Legislative Services

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mm/ljm

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