

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1314

(Delegate Mautz)

Environment and Transportation

Judicial Proceedings

Vehicle Laws - Pilot Program to Evaluate Alternative Registration Plates and
Cards

This bill authorizes the Motor Vehicle Administration (MVA), in consultation with the Department of State Police, to establish a pilot program to evaluate the use of alternative vehicle registration plates and cards for Class A (passenger) vehicles. The pilot program must be completed by July 1, 2027. **The bill takes effect July 1, 2022, and terminates June 30, 2028.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues and expenditures are affected from FY 2023 through 2027, as discussed below. Any changes to enforcement can be handled with existing resources.

Local Effect: Any changes to enforcement can be handled with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: If MVA uses the authorization to establish a pilot program, it must comply with the other provisions of the bill. Specifically, the owner of a Class A (passenger) vehicle may apply to MVA for an alternative registration plate and card. However, no more than 0.5% of passenger vehicles may participate in the program. Further, MVA may not require a vehicle owner to participate in the program. By December 1, 2027, MVA must report to the Governor and General Assembly on the results of the pilot program, including:

- an evaluation of the cost-effectiveness of the alternative registration plates and cards compared to traditional registration plates and cards; and
- recommendations for any legislative or regulatory changes necessary based on the findings of the pilot program.

Current Law: All vehicles are required to display two registration plates, unless they are in one of five vehicle classes. Class D (motorcycle), Class F (tractor), and Class G (trailer) vehicles are exempt from the two registration plate requirement. In addition, a Class L (historic) or Class N (street rod) vehicle is exempt if the vehicle was manufactured 50 years or more before the current model year. Class F vehicles are required to display the registration plate on the front of the vehicle. Historic and antique vehicles must display a current registration plate in the place provided on the vehicle. In addition, MVA must issue only one plate for vehicles with temporary registration.

An owner of a motor vehicle may not drive the vehicle or permit it to be driven on any highway in Maryland without validated registration plates, unless otherwise expressly authorized by MVA. Expired registration plates may not be displayed. A violation of these provisions is a misdemeanor, subject to a fine of up to \$500 or a prepayment fine of \$70.

State Fiscal Effect: MVA advises that, under the bill, it intends to allow 0.5% of newly registered passenger vehicles participate in the pilot program. Assuming the maximum percentage of newly registered passenger vehicle owners choose to participate each year, the pilot program is expected to involve about 1,592 participants in the first year of implementation and 7,960 participants by the fifth year. Under the pilot program, MVA indicates it intends to allow participants to use an adhesive front registration plate rather than a traditional registration plate. (Although the bill authorizes MVA to also include registration cards as part of the program, MVA advises the pilot program will only involve registration plates.)

MVA estimates any owner participating in the program must pay as much as an additional \$100 fee for a set of tags that includes the adhesive front plate. Thus, TTF revenues are expected to increase by about \$159,200 each year the pilot program is active in order to cover the costs of producing alternative plates. To the extent the cost to produce the adhesive plates is less than anticipated, the fee may be reduced commensurately. As the fee is in addition to the existing cost to register a vehicle, this analysis assumes that any vehicle owners participating in the program receive a standard front registration plate once the program terminates.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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