

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 537 (Delegate M. Morgan, *et al.*)  
Environment and Transportation

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Motor Vehicle Administration - Fines and Fees - Required Notice

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This bill requires the Motor Vehicle Administration (MVA) to give a recurring notice to a person who has been previously notified by MVA that the person owes a fine or fee. The recurring notice must be given every 30 days (until the fine or fee is satisfied).

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Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) expenditures increase, likely significantly, beginning in FY 2024, as discussed below. Revenues are likely not materially affected, as discussed below.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Unless another method for giving notice is specifically required, MVA must give any notice that it is required or authorized to give under the Maryland Vehicle Law or any other law either (1) by personal delivery to the person to be notified or (2) by mail to the person at the address of the person on record with MVA.

If notice is given by mail, the notice is effective at the end of the fifth day after its deposit in the mail. Proof that notice has been given may be made by the certificate of any officer or employee of MVA or the affidavit of any adult, naming the person to whom the notice was given and stating the time, place, and manner of the notice.

**State Fiscal Effect:** MVA advises that it generally makes several attempts to provide notice to a person who owes a fine or fee. However, under the bill, the number of notices that must be sent via mail is expected to increase significantly, as the bill requires a recurring notice to be given every 30 days until the fine or fee is satisfied.

MVA anticipates that as many as 5.8 million additional notices may need to be mailed annually under the bill, at a cost of \$0.55 per mailing, or \$3,190,000 annually (\$2,392,500 in fiscal 2024 due to the bill's October 1, 2023 effective date). This estimate is based on general administrative flags placed on customer accounts as well as late notices related to the Vehicle Emissions Inspection Program.

However, MVA also notes that the number of additional mailings may be reduced to the extent multiple administrative flag notices for individual customers can be consolidated and mailed together. Assuming consolidation is possible, the increase in TTF expenditures is less significant and requires only about 3.1 million additional notices to be mailed each year at a cost of \$1,697,300 annually (\$1,272,975 in fiscal 2024 due to the bill's effective date).

This analysis assumes that revenues from fines/fees are likely not materially affected by the bill. In addition, it assumes that the bill does not change the timing or amount of unpaid fines/fees referred by MVA to the Central Collection Unit within the Department of Budget and Management.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 14, 2023  
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