

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 10 (Senator Kagan)
Judicial Proceedings

Vehicle Laws - Damaged, Obscured, or Modified Registration Plates

This bill requires the Motor Vehicle Administration (MVA) to offer (during the registration renewal process) to replace, with limited exceptions, any vehicle registration plates that are more than 15 years old. MVA must mail or deliver the new registration plates to the owner and may adopt regulations to carry out the requirement. The registration plate replacement requirement does not apply to certain types of plates (*i.e.*, personalized registration plates or Chesapeake Bay Commemorative Registration plates). The bill also alters the current prohibition against obscuring or modifying a vehicle registration plate *with intent to avoid identification* by instead prohibiting such activity *in a manner that may prevent identification*. Additionally, the bill alters the penalty and points assessment for such violations. Under the bill, a person *must* be issued a warning for a first offense. For second or subsequent violations, three points (rather than one) are assessed against the license of a person guilty of a violation.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase, potentially by as much as several hundred thousand dollars, with most of the additional costs occurring over the first 24 months of implementation, as discussed below. Revenues are likely not materially affected. Any changes to enforcement can be handled with existing resources.

Local Effect: The bill does not materially affect local finances or operations. Any changes to enforcement can be handled with existing resources.

Small Business Effect: Minimal.

Analysis

Current Law: A person may not obscure or modify any vehicle registration plate with intent to avoid identification. A violation is a misdemeanor with a maximum \$500 fine. The prepayment penalty is \$280, with one point assessed against the individual's driver's license.

State Fiscal Effect: MVA notes that it is currently implementing an option for customers to order a replacement registration plate for Class A (passenger) and Class M (multipurpose) vehicles with plates that were issued more than 15 years ago. Although MVA is unable to determine the exact number of individuals who may request new registration plates using this option, it expects the bill's changes to prompt more individuals to apply. While the Department of Legislative Services (DLS) generally concurs that the bill's changes may heighten public awareness about the registration plate replacement option, DLS advises the extent to which the bill may increase program participation is unknown.

MVA notes that there are at least 121,642 Class A and Class M vehicles with plates eligible to be replaced under the bill that are more than 15 years old. About 75% (91,319) were issued between 15 and 19 years ago, while the remaining plates (30,323) were issued 20 or more years ago. MVA estimates that as many as 50% of eligible vehicle owners (60,821) will take advantage of the opportunity to receive a set of replacement plates.

The effect on TTF expenditures is likely to be greatest over the first 24 months of implementation, with minimal ongoing expenditures in later years as a marginal number of additional vehicles qualify in each subsequent year. Taking into account the bill's October 1, 2024 effective date, MVA advises that TTF expenditures could increase by \$233,139 in fiscal 2025, \$354,160 in fiscal 2026, and \$109,101 in fiscal 2027.

However, MVA also advises that these figures are based on its current program, which only offers replacement plates if the original plates are *standard* Class A or Class M (*i.e.*, excluding all specialty registration plates). Because the bill only excludes certain types of special registration plates (personalized or Chesapeake Bay plates) – rather than *all* nonstandard Class A and Class M plates under MVA's program – expenditures under the bill are likely greater than under MVA's existing program.

The Judiciary (Administrative Office of the Courts) notes that, in fiscal 2023, there were 210 charges issued for obscuring or modifying vehicle plates with intent to avoid identification, with 76 guilty dispositions. These figures are similar to fiscal 2022 violations. Because the bill modifies the prohibition, the total number of charges may differ once the bill takes effect. Nevertheless, given the current number of violations, the Judiciary does not anticipate a significant fiscal or operational impact on court operations.

Given the relatively small number of violations in fiscal 2023 and 2022 (combined with the requirement that a warning be issued for a first violation), State revenues are likely only minimally affected, even with the bill's changes to the current prohibition against obscuring or modifying a vehicle registration plate.

Additional Information

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

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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