

Sponsor Testimony Delegate Korman

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Position: FAV

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Committee

Rules and Executive
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Specially Designed Vintage Reproduction Registration Plates (HB0313)

Testimony of Delegate Marc Korman-Favorable

Thank you, Madame Vice Chair and members of the committee. I come before you today to present House Bill 313.

This legislation will promote and preserve Maryland's automotive heritage. It allows drivers who are interested in doing so to pay a little bit extra to display the vintage license plate first used in Maryland in 1910.

House Bill 313 includes a clear fee structure for the issuance and renewal of these plates: \$100 for the initial issuance and \$25 for each renewal. These fees are designed to recover the MVA's costs for developing, issuing, and managing the plates, while contributing to the state's transportation infrastructure through the Transportation Trust Fund.

The bill will not impact the state's Bay Plate or Ag Tag, which I know are important to members of this committee. Unlike those plates, MVA has assured us that the historic tag will be available in a manner similar to other specialty plates like those you can obtain with the Oriole bird or an organization you are associated with. I have coordinated closely with the Chesapeake Bay Trust and the Agricultural Foundation to ensure no impact and have invited them to testify today.

House Bill 313 is a balanced and practical legislation and I urge a favorable report.

Ches Bay Trust Testimony - HB313-full.pdf

Uploaded by: Jana Davis

Position: INFO



House Bill 313 Vintage License Plate Written Testimony

Date: January 24, 2025

For Information

Submitted to: Environment and Transportation Committee

Submitted by: Chesapeake Bay Trust

The Chesapeake Bay Trust (the Trust), a nonprofit grant-maker, was established by the General Assembly in 1985 to complement the work of natural resource state agencies by reaching directly to community-based groups on the ground. The Trust’s method is to empower groups by providing them the ability to lead and own their own work to co-benefit their own communities and natural resources, mainly through grants (about 450 grants per year across Maryland, from the Youghiogheny watershed in Western Maryland to the Coastal Bays on the Eastern Shore - in every Maryland district in the past 10 years.)

When the Trust was created, the General Assembly did not provide a general appropriation but instead created two revenue streams: The Chesapeake Bay License Plate program and the Chesapeake and Endangered Species Tax Check Off (shared with the Maryland Department of Natural Resources) that raise private, non-governmental dollars. Bay plate revenue has remained relatively constant since 2010, with the “bay plate” generating on average \$3.2-\$3.5 million per year. The bay plate revenue is the backbone of the Trust revenue streams, allowing the organization to leverage \$20-30 million more from other sources.

Background on specialty license plates

A Maryland vehicle owner can choose from a number of types of license plates (or “tags,” used interchangeably) besides the standard plate issued at no additional charge. Two common types are a) the two background scene commemorative plates designed to generate revenue (the Chesapeake Bay(s) Plate (bay plate) and the Agriculture Plate (ag tag)) and b) the ~900 “organizational tags” <https://mva.maryland.gov/Pages/licenseplates-Organizational.aspx> (white, often with an organization logo on the left) which are mainly designed for awareness/pride rather than revenue. The two commemorative plates (bay plate and ag tag) are produced in large quantities and distributed to MVA branches, dealerships, and tag and title agencies so customers can get them relatively quickly. “Org tags” are produced as they are ordered generally after initial vehicle registration, and orders of magnitude fewer are sold per individual design than the bay plate or ag tag.

As many members of the committee know, the Trust and Maryland Agricultural Education Foundation (MAEF) together follow the license plate picture in Maryland each year. Because there is a finite number of registered vehicles, and therefore a finite number of potential bay/ag-tag purchasers, there is a finite amount of revenue to be had. Data from other states show that only about 8-10% of car owners will spend additional money for a specialty license plate (Figure 1 below), driven, as we know from public opinion polling, mainly by aesthetics. Maryland is at about 10% saturation level now. Therefore, new license plate specialty options are not likely to lead to an increased number of people choosing them.

HB313 (vintage tag) is itself not predicted to measurably negatively impact bay plates based on presumed method of administration by the MVA and projected demand

HB313 proposes a “vintage” tag mimicking an early Maryland license plate design and would be available to all vehicles (not just historic vehicles). While HB313 is silent on the method by which the vintage tag would be administered, the Maryland Motor Vehicle Administration (MVA) communicated via letter to Chair Korman on April 5, 2024, and distributed to the Trust on 6/6/24 (attached, referencing last year’s version of the bill) that MVA would not administer the vintage tag like the bay plate/ag tag commemorative plates (i.e., mass produced and mass distributed), but instead would administer it, as the Trust understands it, more similarly to the way a customer would order an org tag (i.e., individually made to order): “MVA is committed to instituting a . . . distribution whereby customers would purchase the vintage reproduction plates on the MVA website or MVA kiosks. The plates would be issued from a central location, and therefore, branch locations would continue to carry only the general license plate (Maryland Proud), the Agricultural Plate, or the Chesapeake Bay/Coastal Bay Plate.”

About 1,000 – 2,000 individuals are projected in the HB313 fiscal note to trade in their existing tag (whether standard, bay, ag, org, or other) for the vintage tag. This made-to-order method of distributing the vintage tag to those who want it, while not helping the bay or ag tag, is unlikely to harm either in a significant way.

Value of Chesapeake Bay Trust bay plate revenue

The Trust leverages Bay Plate revenue into \$20-30 million more annually by attracting other partners with resources. An example is the Trust’s partnership with the U.S. Environmental Protection Agency, in which the Trust offers \$300,000, and the EPA matches it with \$1,000,000 for a Green Streets, Green Jobs, Green Towns grant program.

<https://cbtrust.org/grants/green-streets-green-jobs-green-towns/>.

In addition, in 2021 and 2022, the General Assembly tapped the Trust to create and administer the Urban Trees Grant Program (2021) <https://cbtrust.org/grants/urban-trees/> and the Chesapeake Conservation Corps (2020) www.cbtrust.org/corps, which we have partly staffed and supported with unrestricted Bay Plate dollars. The bay plate and other unrestricted revenue also fund our K-12 environmental education, on-the-ground restoration, and community engagement grant programs.



About the Chesapeake Bay Trust

The Trust was created by the Maryland General Assembly in 1985 as a non-profit grant-making organization with a goal to increase stewardship and engagement in the restoration of the state’s local rivers, streams, parks, and other natural resources in diverse communities across the state, from the mountains of Western Maryland and the Youghiogheny watershed to the marshes of the Coastal Bays. The goal was to create an entity that could complement state agency work with groups on the ground: schools, nonprofit organizations, faith-based and reach large institutions, homeowners associations, community and civic associations, and other types of groups.

The Trust invests in local communities and watersheds through grant programs and special initiatives and is known for its efficiency, putting on average 90 cents of every dollar into programs. The Trust has awarded

over \$150 million through more than 12,000 grants and projects in every county in Maryland since 1985. We make about 350 grants and other awards a year and have about 1,000 active grantees at any one time.

The Trust does not receive a direct state appropriation to support its operations, instead supported through revenue from the Chesapeake Bay vehicle license plate; half of the Chesapeake and Endangered Species Fund checkoff on the state income tax form; two new donation options through Maryland's online boating, fishing, hunting license system, one that focuses on veterans' rehabilitation; partnerships with federal, state, local agencies, family foundations, and corporate foundations; and individual donors.



Due to its efficiency, the Trust has been rated with the maximum four-star rating by the nation's leading charity evaluator, Charity Navigator, for more than two decades, putting it in the top 1% of non-profits in the nation.

One of the Trust's basic tenets in its strategic plan is to engage under-engaged audiences in natural resources issues. Every individual in our area benefits from healthy natural resources, and in turn, every individual can help natural resources.

Figure 1: Market saturation of background scene/specialty license plates occurs at about 7-8% of the vehicle owners

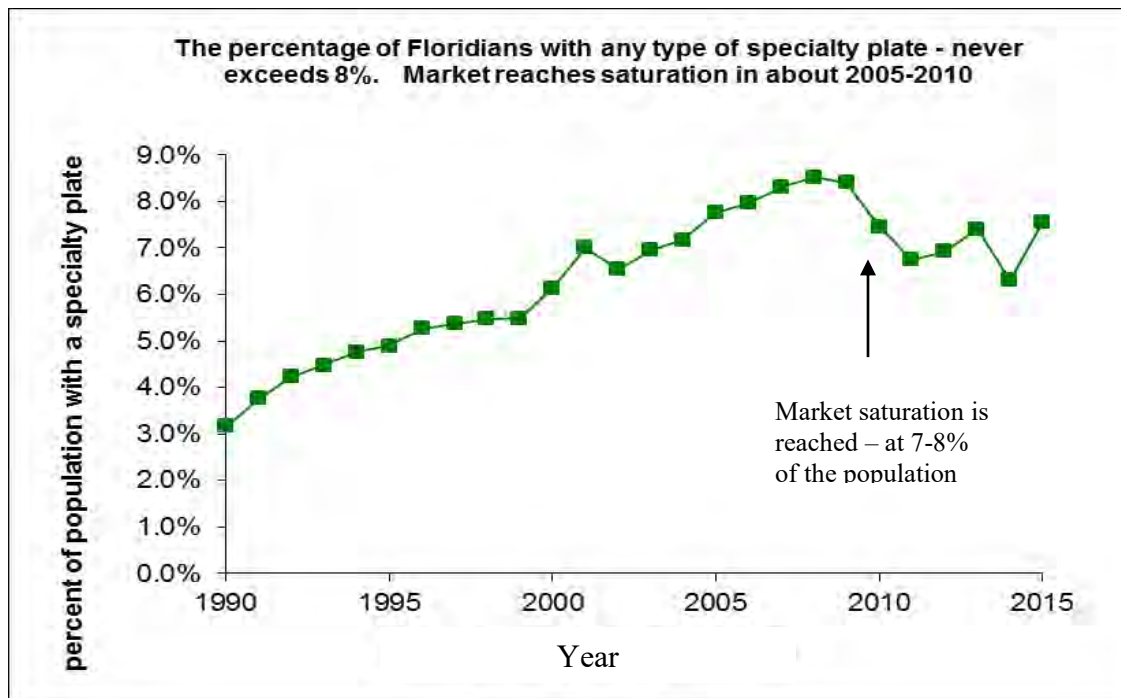


Figure 2a: Examples of decreases in specialty license plate revenue with increasing #s of additional plates: Blue line shows the # of plate options for vehicle owners, and the pink lines are the revenue generated by the plate (e.g., the # of people who buy them.)

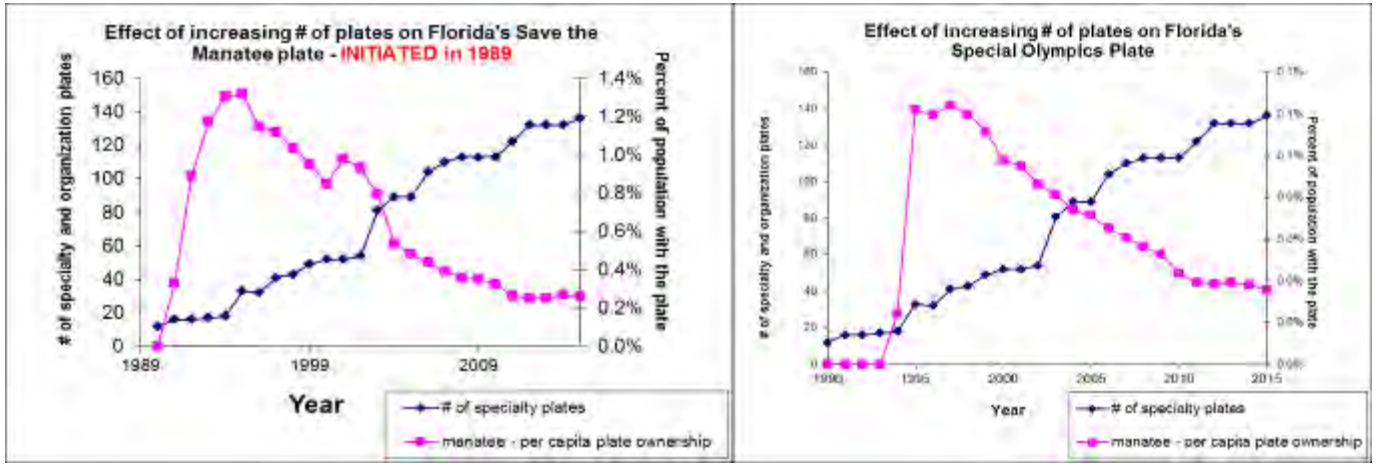
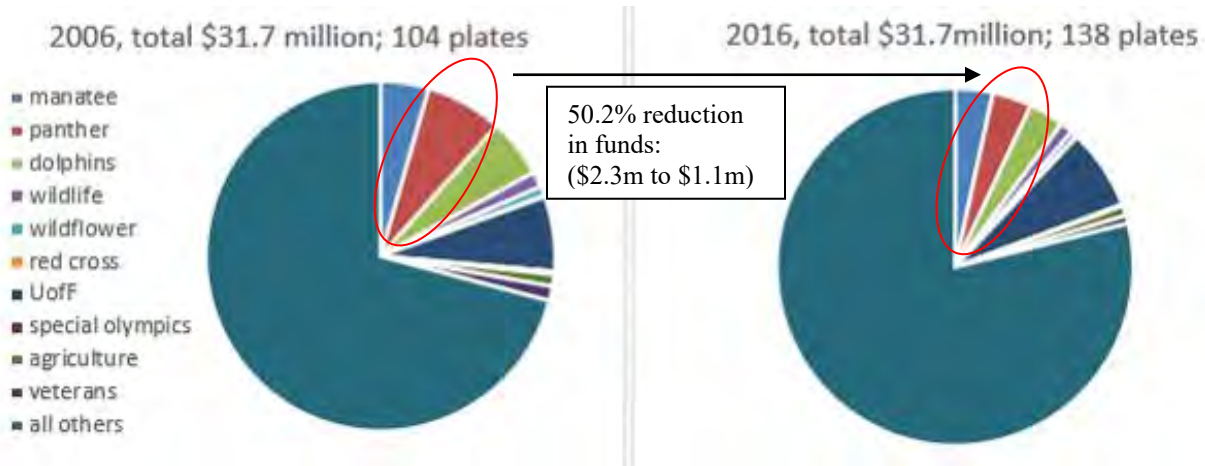


Figure 2b: The “Pie Problem:” In 2006 and 2016, Floridians spent the same total amount on specialty license plates, despite more options in 2016. The plates that existed in 2006 all had lower revenues (smaller pieces of the pie) in 2016. E.g., the panther plate generated \$2.3m in 2006 then dropped to \$1.1m with more plate options in 2016 (red pie slices below)



April 5, 2024

The Honorable Marc Korman
Chair, Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

Re: **Letter of Commitment – Senate Bill 1004 – Motor Vehicles – Specially Designed
Vintage Reproduction Registration Plates**

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information for the Committee's consideration.

In 2013, Senator Richard Colburn sponsored **Senate Bill 39, the Special Vintage Reproduction Registration Plate** program, in recognition of the Maryland MVA centennial. The vintage plate was designed to resemble the 1910 Maryland registration plate with black lettering on a yellow background. The program was established for a period of one year, and eligible vehicles included Class A (passenger), Class E (small truck), Class L (historic), Class M (multipurpose) and Class N (street rod) vehicles.



Between January 1, 2014, and December 31, 2014, the Maryland MVA offered the vintage plates at an additional fee of \$80 for the initial plate, and an additional \$20 for each renewal. The original program was exclusively available on the MVA website or MVA Kiosks with the vintage plates mailed directly to the customer. In 2014, the program sold 1,919 plates and generated \$153,520 in revenue over the first two years.

Senate Bill 1004 authorizes the Maryland MVA to reinstate the vintage reproduction registration plates, and requires an additional initial registration fee of \$100 and an additional fee of \$25 for each registration renewal. Under a permanent program, the Maryland MVA is committed to instituting a similar distribution whereby customers would purchase the vintage reproduction

plates on the MVA website or MVA kiosks. The plates would be issued from a central location, and therefore, branch locations would continue to carry only the general license plate (Maryland

The Honorable Marc Korman

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Proud), the Agricultural Plate, or the Chesapeake Bay/Coastal Bay Plate. While the Maryland MVA is unable to determine the exact number of special vintage reproduction plates that may be issued, the estimated cost to produce each plate is approximately \$10 and excess revenue would be transferred to the Gasoline and Motor Vehicle Revenue Account.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 1004.

Respectfully submitted,

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