

Maryland Register

Issue Date: October 18, 2013
Volume 40 • Issue 21 • Pages 1757-1852

Title 11 DEPARTMENT OF TRANSPORTATION

Subtitle 11 MOTOR VEHICLE ADMINISTRATION—ADMINISTRATIVE PROCEDURES

11.11.05 Motor Vehicle Fees

Authority: Transportation Article, §§12-104(b) and 12-301, Annotated Code of Maryland, and as cited in Regulations .02—.06 of this chapter

Notice of Proposed Action

[13-324-P]

The Administrator of the Motor Vehicle Administration proposes to amend Regulation .04 under COMAR 11.11.05 Motor Vehicle Fees.

Statement of Purpose

The purpose of this action is to set the fees for the issuance of the vintage registration plate as set forth in S.B. 39, Ch. 170, Acts of 2013.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. This proposed action would set the fees for the issuance of the vintage registration plate as set forth in S.B.39, Ch. 170, Acts of 2013. Based on the assumptions and information contained in this fiscal impact statement, the estimated economic impacts (net) are as follows: (1) to MVA/MDOT, an estimated \$443,977 net revenue increase in FY 14 (based on a January 1, 2014 effective date) and an estimated \$266,386 net revenue increase in FY 15; (2) to local jurisdictions, an estimated \$47,148 revenue in FY 14 and an estimated \$28,289 revenue in FY 15. In calculating the estimated fiscal impact of this proposal, the following assumptions were made:

- This fiscal impact statement is making the assumption that a total of 10,000 plates will be issued during the period of time the plate is available for sale (presumed to be CY 14).
- This fiscal impact statement is further making the assumption that of these 10,000 plates, 6,250 will be sold in FY 14 (2,500 at titling and 3,750 as substitute plates) and 3,750 will be sold in FY 15 (2,500 at titling and 1,250 as substitute tags);
- This fiscal impact statement is making the assumption that the registration expiration for these plates will be for two years;
- This fiscal note is making the assumption that back-end fulfillment of the plates will be handled by Maryland Correctional Enterprises (MCE); All programming costs incurred are included in the production/distribution costs associated with these plates;
- This fiscal note is making the assumption that the amount of the vintage registration plate fee that is over and above the Administration's cost to produce/distribute the plate will be designated for the Gasoline and Motor Vehicle Revenue Account (GMVRA).
- The fiscal note is further making the assumption that, of the amount designated for the GMVRA, the percentage distributed to MDOT will be 90.4% and the amount distributed to local jurisdictions will be 9.6%.

II. Types of Economic Impact.

	Revenue (R+/R-)	
	Expenditure (E+/E-)	Magnitude
A. On issuing agency:		
(1)	(R+)	\$ 577,852 (FY 14)
(2)	(E+)	\$ 133,875 (FY 14)
B. On other State agencies:	NONE	
C. On local governments:	(R+)	\$ 47,148 (FY 14)
	Benefit (+)	
	Cost (-)	Magnitude

Maryland Register

Issue Date: October 18, 2013
Volume 40 • Issue 21 • Pages 1757-1852

- D. On regulated industries or trade groups: NONE
E. On other industries or trade groups: NONE
F. Direct and indirect effects on public: NONE

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A(1). Based on the assumptions and information included in this fiscal impact statement, the MVA/MDOT would realize an estimated net revenue increase in FY 14 of \$443,977 and an estimated net revenue increase in FY 15 of \$266,386.

Estimated FY 14 expenditures are \$133,875. The estimated production/distribution cost of each plate is \$21.42. This figure is made of three components: (1) estimated cost of the plate (including plate design, etc.) of \$9.65/set; (2) estimated postage costs @ \$5.97/set; and (3) estimated programming costs @ \$5.80/set. Therefore, the total FY 14 expenditures are estimated at \$133,875 (6,250 estimated plates issued in FY 14 x \$21.42 production/distribution costs for each set of plates). Estimated costs in FY 15 are \$80,325 (3,750 estimated plates issued in FY 15 x \$21.42/each).

In FY 14, total revenue realized is estimated at \$625,000. The fee for the issuance of the vintage registration plates is set at \$80/each set of plates. In addition, an annual fee of \$10 (in addition to the normal registration fee) has been set. This would result in a total fee of \$100 (\$80 upon initial issuance + \$20 additional fee for two-year registration). Therefore, the total estimated revenue realized in FY 14 is \$625,000 (6,250 estimated plates issued x \$100/each). Of this amount, the estimated revenue realized which is over and above the Administration's cost to produce/distribute the plate, is assumed to be designated for the GMVRA. MVA/MDOT would receive 90.4% of this GMVRA designation. Therefore, the amount of estimated revenue realized in FY 14 is calculated as follows:

- Amount of revenue needed to recover costs = \$133,875;
- Amount of revenue designated for GMVRA = \$491,125 (\$625,000 - \$133,875)
- Amount of GMVRA revenue received by MVA/MDOT = \$443,977 (\$491,125 x 90.4%);
- Net total amount received by MVA/MDOT (FY 14) = \$577,852 (\$133,875 + \$443,977).

In FY 15, the estimated revenue to be realized is \$375,000 (3,750 estimated plates issued x \$100/each). Therefore, the amount of estimated revenue realized in FY 15 is calculated as follows:

- Amount of revenue needed to recover costs = \$80,325;
- Amount of revenue designated for GMVRA = \$294,675 (\$375,000 - \$80,325)
- Amount of GMVRA revenue received by MVA/MDOT = \$266,386 (\$294,675 x 90.4%);
- Net total amount received by MVA/MDOT (FY 15) = \$346,711 (\$80,325 + \$266,386).

A(2). Based on the assumptions and information included in this fiscal impact statement, the MVA/MDOT would realize an estimated net revenue increase in FY 14 of \$443,977 and an estimated net revenue increase in FY 15 of \$266,386.

Estimated FY 14 expenditures are \$133,875. The estimated production/distribution cost of each plate is \$21.42. This figure is made of three components: (1) estimated cost of the plate (including plate design, etc.) of \$9.65/set; (2) estimated postage costs @ \$5.97/set; and (3) estimated programming costs @ \$5.80/set. Therefore, the total FY 14 expenditures are estimated at \$133,875 (6,250 estimated plates issued in FY 14 x \$21.42 production/distribution costs for each set of plates). Estimated costs in FY 15 are \$80,325 (3,750 estimated plates issued in FY 15 x \$21.42/each).

In FY 14, total revenue realized is estimated at \$625,000. The fee for the issuance of the vintage registration plates is set at \$80/each set of plates. In addition, an annual fee of \$10 (in addition to the normal registration fee) has been set. This would result in a total fee of \$100 (\$80 upon initial issuance + \$20 additional fee for two-year registration). Therefore, the total estimated revenue realized in FY 14 is \$625,000 (6,250 estimated plates issued x \$100/each). Of this amount, the estimated revenue realized which is over and above the Administration's cost to produce/distribute the plate, is assumed to be designated for the GMVRA. MVA/MDOT would receive 90.4% of this GMVRA designation. Therefore, the amount of estimated revenue realized in FY 14 is calculated as follows:

- Amount of revenue needed to recover costs = \$133,875;
- Amount of revenue designated for GMVRA = \$491,125 (\$625,000 - \$133,875)
- Amount of GMVRA revenue received by MVA/MDOT = \$443,977 (\$491,125 x 90.4%);
- Net total amount received by MVA/MDOT (FY 14) = \$577,852 (\$133,875 + \$443,977).

In FY 15, the estimated revenue to be realized is \$375,000 (3,750 estimated plates issued x \$100/each). Therefore, the amount of estimated revenue realized in FY 15 is calculated as follows:

- Amount of revenue needed to recover costs = \$80,325;
- Amount of revenue designated for GMVRA = \$294,675 (\$375,000 - \$80,325)
- Amount of GMVRA revenue received by MVA/MDOT = \$266,386 (\$294,675 x 90.4%);
- Net total amount received by MVA/MDOT (FY 15) = \$346,711 (\$80,325 + \$266,386).

C. Based on the assumptions and information included in this fiscal impact statement, local jurisdictions would realize an estimated revenue increase in FY 14 of \$47,148 and an estimated revenue increase in FY 15 of \$28,289. As mentioned above, the total estimated revenue realized in FY 14 is \$625,000. Of this amount, the estimated revenue realized which is over and above the

Maryland Register

Issue Date: October 18, 2013
Volume 40 • Issue 21 • Pages 1757-1852

Administration's cost to produce/distribute the plate, is assumed to be designated for the GMVRA. Local jurisdictions would receive 9.6% of this GMVRA designation. Therefore, the amount of estimated revenue realized in FY 14 is calculated as follows:

- Amount of revenue designated for GMVRA = \$491,125 (\$625,000 - \$133,875)
- Amount of GMVRA revenue received by local jurisdictions = \$47,148 (\$491,125 x 9.6%);

In FY 15, the estimated revenue to be realized is \$375,000 (3,750 estimated plates issued x \$100/each). Therefore, the amount of estimated revenue realized in FY 15 is calculated as follows:

- Amount of revenue designated for GMVRA = \$294,675 (\$375,000 - \$80,325)
- Amount of GMVRA revenue received by local jurisdictions = \$28,289 (\$294,675 x 9.6%.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Tracey C. Sheffield, Regulations Coordinator, MVA, 6601 Ritchie Highway N.E., Room 200, Glen Burnie, MD 21062, or call 410-768-7545, or email to tshellfield@mdot.state.md.us, or fax to 410-768-7506. Comments will be accepted through November 18, 2013. A public hearing has not been scheduled.

.04 Vehicle Registration Fees.

Service	Section	Fee
A. Special Registration Fees.		
(1) — (4) (text unchanged)		
(5) <i>Vintage Registration Plates.</i>		
(a) <i>Fee paid on issuance of new plates.</i>	13-619.3	80
(b) <i>Annual fee in addition to the annual registration fee required.</i>	13-619.3	10
B. —K. (text unchanged)		

JOHN T. KUO
Administrator
Motor Vehicle Administration