

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1179

(Delegates Conway and Cane)

Environmental Matters

Judicial Proceedings

Vehicle Laws - Motor Scooters and Mopeds - Special Dealer Decals

This bill authorizes a motor scooter or moped dealer to apply to the Motor Vehicle Administration (MVA) for special dealer decals, which must be manufactured to allow for the temporary attachment to a motor scooter or moped. A dealer that attaches a temporary decal to a motor scooter or moped may drive the vehicle or allow it to be driven for demonstration purposes if a prospective buyer holds a valid driver's license or moped operator's permit. MVA must establish a fee for the special dealer decal.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase minimally beginning in FY 2014 for MVA to procure temporary decals and issue them to motor scooter and moped dealers. TTF revenues also increase minimally from the collection of temporary decal fees from dealers that request such decals. It is assumed that MVA charges a fee that is at least sufficient to cover the costs of issuing the temporary decals.

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: Potential meaningful benefit to a small business moped or motor scooter dealer to the extent the bill's authorization for customers to drive the vehicles for demonstration purposes increases sales.

Analysis

Current Law/Background: Chapters 210 and 211 of 2012 (SB 309/HB 149) require the titling of mopeds and motor scooters and establish requirements for required security (insurance) coverage of such vehicles. MVA is required by the new law to issue a permanent decal with a unique number sequence to the owner of a moped or motor scooter issued a certificate of title upon payment of a \$5 fee. The owner must display the decal on the vehicle as prescribed by MVA regulations.

A licensed vehicle dealer may apply to MVA for the issuance of as many special dealer registration plates as MVA authorizes for a vehicle that is mainly used in the dealer's business. A dealer may lend to a prospective buyer for demonstration purposes a vehicle the dealer owns to which is attached a dealer registration plate. However, mopeds and motor scooters are not subject to vehicle registration, and MVA does not issue registration plates for these vehicles.

State Fiscal Effect: MVA advises that there are 73 licensed motorcycle dealers in the State and assumes that each one of these dealers requests three temporary decals each year. Therefore, MVA estimates that it needs to issue 219 decals and that each decal costs \$5 to issue. Under these assumptions, TTF expenditures increase by \$1,095 annually; this assumes that decals are not issued in fiscal 2013 despite the June 1, 2013 effective date. The Department of Legislative Services (DLS) advises that it is unclear whether all motorcycle dealers sell motor scooters or mopeds and whether each dealer requests new decals each year (unless required to do so by subsequent MVA regulation). Thus, \$1,095 may overstate the annual increase in TTF expenditures, except to the extent that dealers request an average of more than three temporary decals.

MVA further advises that it may charge a fee of \$25 for each temporary decal. Therefore, under the information and assumptions stated above, TTF revenues increase by \$5,475 annually beginning in fiscal 2014. DLS advises that the bill does not require that the fee for the issuance of a temporary decal be set at a level to recover the cost of issuance.

Additional Information

Prior Introductions: None.

Cross File: SB 472 (Senator Mathias) - Judicial Proceedings.

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

Fiscal Note History: First Reader - February 18, 2013
ncs/ljm

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