

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 397

(Senator Folden, *et al.*)

Judicial Proceedings

Environment and Transportation

Vehicle Laws - Military Vehicles - Registration and Operation

This bill establishes standards and procedures for the registration of a “military vehicle,” which the bill defines as a wheeled, multipurpose vehicle (including a trailer) that (1) was manufactured for military use by or under the direction of the U.S. Armed Forces or the armed forces of another country; (2) subsequently was authorized for sale to civilians; (3) meets federal motor vehicle safety standards; and (4) has a vehicle identification number or a unique serial number assigned by the manufacturer. The bill requires all vehicles that meet these criteria to be registered as a Class MV-C (military vehicle-collectors) vehicle and establishes a one-time \$51 registration fee.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) and other special fund revenues decrease minimally, as discussed below. TTF expenditures are not materially affected; any impact can likely be absorbed with existing resources.

Local Effect: The bill does not materially affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: In applying for registration under the bill, the owner of a military vehicle must submit with the application a certification that the vehicle for which the application is made will be operated only:

- in off-highway events, exhibitions, on-highway club activities, parades, tours, and other similar events;
- for transportation to and from such events;
- on occasional pleasure trips; or
- to facilitate the sale or maintenance of the vehicle.

The owner must further certify that the vehicle will not be operated:

- for general daily transportation;
- primarily for the transportation of passengers or property on highways;
- for employment;
- for transportation to and from employment or school; or
- for commercial purposes.

The Motor Vehicle Administration (MVA) must (1) assign a distinguishing number to the vehicle and (2) issue to its owner a stamped or special plate bearing the distinguishing number. The owner must attach the stamped or special plate to the vehicle as required.

An applicant for the registration of a military vehicle must provide acceptable proof to MVA that the military vehicle has passed a safety inspection. (MVA, in consultation with the Department of State Police and military vehicle owners in the State, must develop a safety inspection and a safety inspection process for the vehicles.)

A military vehicle registered under a different registration class before the bill's effective date (October 1, 2024) may continue to be registered under that class. However, if a military vehicle registered under a different class is transferred to a new owner, the vehicle must be registered pursuant to the bill.

Current Law: There is no vehicle class under State law for military vehicles.

Most classes of vehicle are currently registered biennially, although some less common classes are registered on an annual basis. Registration fees also include a yearly \$17.00 surcharge for the Maryland Institute for Emergency Medical Services Systems; a portion of that surcharge (\$2.50) is reserved for the Trauma Physician Services Fund.

State Revenues: The number of vehicles already registered in the State that may qualify as military vehicles cannot be readily determined. However, depending on the number of such vehicles, TTF and other special fund revenues may be affected, as the bill authorizes such vehicles to permanently register by paying a one-time \$51 fee.

All other classes of vehicles pay both initial and renewal registration fees. Therefore, to the extent that vehicles already registered under a different registration class choose to instead register as a military vehicle, TTF and other special fund revenues likely decrease. However, the number of vehicles expected to meet the bill's criteria is assumed to be minimal. Therefore, the impact on TTF and other special fund revenues is likely minimal.

To the extent that the bill encourages the purchase of military vehicles that would otherwise not occur, TTF revenues may also increase negligibly.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 748 of 2023 and HB 1383 of 2022.

Designated Cross File: None.

Information Source(s): Department of State Police; Maryland Department of Transportation; Military Department; Department of Legislative Services

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km/ljm Third Reader - March 5, 2024

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