

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**

House Bill 141 (Delegate Benson)  
 Commerce and Government Matters

**Vehicle Laws - Motorcycle License - Mandatory Safety Course**

This bill requires individuals to complete a motorcycle safety course in order to be issued a Class M motorcycle driver's license or a provisional Class M license. It also directs the Motor Vehicle Administration (MVA) to provide such safety courses throughout the year. The bill would not apply to license holders who were issued a Class M license before the effective date of this bill.

**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) revenues would increase by \$130,000 in FY 2002. Future year revenue estimates reflect annualization and full enrollment. TTF expenditures would increase by \$481,000 in FY 2002 mainly due to start-up costs associated with creation of new safety training centers. Future year expenditure estimates reflect ongoing operating and personnel costs.

| (in dollars)   | FY 2002     | FY 2003   | FY 2004    | FY 2005    | FY 2006    |
|----------------|-------------|-----------|------------|------------|------------|
| SF Revenue     | \$130,000   | \$260,000 | \$260,000  | \$260,000  | \$260,000  |
| SF Expenditure | 481,000     | 266,700   | 273,500    | 280,700    | 288,000    |
| Net Effect     | (\$351,000) | (\$6,700) | (\$13,500) | (\$20,700) | (\$28,000) |

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** A Class M license can be issued in combination with any other noncommercial driver's license. Drivers who are already licensed to operate a motor vehicle can receive a Class M license without completing a motorcycle safety course unless they are under age 18.

**Background:** Motorcycle fatalities accounted for 7.5% of all traffic fatalities in Maryland in 1999 (44 out of 590), compared to the national average of 5.9%. Maryland ranked twelfth nationally in the percentage of motorcycle fatalities and eighth in 1998 fatalities per 10,000 registered vehicles. However, the Department of Legislative Services (DLS) notes that almost half of the fatalities occurred in seven states and that motorcycle operators involved in fatal crashes had higher alcohol intoxication rates than other drivers, according to the U.S. Department of Transportation. Almost every state provides a publicly-funded motorcycle safety program.

Approximately 5,000 students take motorcycle safety courses in Maryland each year and approximately 8,500 Class M licenses are issued (excluding out-of-state). The demand for courses -- provided from April through October -- exceeds the number available; students are sometimes placed on a waiting list. The MVA advises that its ability to provide year-round safety training is hindered by winter weather conditions and low demand. Teacher retention and recruitment has also been a problem; the MVA experiences a high rate of turnover among safety instructors, who work on a contractual basis.

Efforts to privatize the safety training have failed because of low profit margins. The agency estimates that the per-student fee for a privately conducted course would be \$200 to \$250. The MVA-sponsored course costs \$100 per student.

**State Revenues:** The MVA currently charges \$100 per student for the safety course, and expects the number of students to increase from 5,000 to 7,600 as a result of this bill. TTF revenues for the additional 2,600 students would increase by \$130,000 in fiscal 2002 (accounting for the October 1 effective date and expected delay in enrollment due to cold weather) and \$260,000 in the following years.

**State Expenditures:** TTF expenditures would increase by \$481,000 in fiscal 2002 mainly due to start-up costs such as motorcycle purchases. The information and assumptions used in calculating the fiscal 2002 estimate are:

- five additional training centers to teach 2,600 additional students;
- equipment costs of \$50,910 per training center, including \$47,000 for motorcycles;
- nine contractual instructors to staff each center, as well as a part-time contractual quality assurance specialist and additional clerical help;
- training for each instructor; and
- one full-time administrative officer.

|   |                  |
|---|------------------|
| Salaries and Fringe Benefits            | \$34,386         |
| Operating Expenses                      | <u>446,674</u>   |
| <b>Total FY 2002 State Expenditures</b> | <b>\$481,060</b> |

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The MVA cautions that special fund expenditures could increase further if it is required to provide an indoor testing range (approximately the size of a football field). A testing range could cost approximately \$225,000.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Transportation (Motor Vehicle Administration), National Highway Traffic Safety Administration, National Conference of State Legislators, Department of Legislative Services

**Fiscal Note History:** First Reader – January 26, 2001  
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