

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 110 (Chairman, Judicial Proceedings Committee)
(Departmental - Transportation)
Judicial Proceedings Commerce and Government Matters

Driver Licensing - New Residents - Extension of Exemption Period

This departmental bill extends the time allowed for a new resident to obtain a valid State license from 30 days to 60 days if the resident has a valid license issued by another state.

Fiscal Summary

State Effect: Potential minimal decreases in Transportation Trust Fund (TTF) revenues in FY 2003 only, depending on the number of license applicants who use the proposed 30-day extension. Under one scenario, the revenue loss would be \$37,350. Also, potential minimal loss of general fund revenues from fewer tickets used.

Local Effect: None.

Small Business Effect: The Department of Transportation has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

Current Law: An individual may not drive or attempt to drive a motor vehicle on any highway in this State unless:

- the individual holds a Maryland driver's license;
- the individual is expressly exempt from the licensing requirements (e.g., licensed nonresidents); or

- the individual otherwise is specifically authorized to drive vehicles of the class that the individual is driving or attempting to drive.

A new resident of the State is exempt from licensing requirements and the associated penalties during the first 30 days of residency if: (1) the individual has a valid license issued by the state where he/she previously resided; (2) the license issued by that state authorizes the individual to drive the same class of vehicle that he/she is driving in Maryland; and (3) the individual is at least the same age as that required for a resident to drive a vehicle of the same class the individual is driving in this State.

Background: The bill would make licensing and vehicle registration requirements consistent. Pursuant to Chapter 19 of 2000, new residents have 60 days to register their vehicle in the State.

State Revenues: According to the MVA, approximately 100,000 new residents apply for a Maryland driver's license each year; the license fee is \$45. If all residents delayed license application by one month, the full cost in fiscal 2003 would be \$373,500. Future years would not be affected. However, the agency only expects about 10% of new State residents to take advantage of the full grace period because applicants need a current driver's license to conduct personal business. Based on this assumption, the potential effect would be a \$37,350 revenue decrease.

DLS advises that this amount is likely to be somewhat higher, but concurs with the MVA that the fiscal effect will not be significant. DLS further advises that general fund revenues could decline minimally as compliance with the licensing requirement is expected to increase under the provisions of the bill. The maximum fine for driving without a license is \$520.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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