

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1185 (Delegate Glenn, *et al.*)
Environmental Matters

Vehicle Laws - Provisional Driver's Licenses - Driver Education Requirements

This bill reduces the period of time, from 9 months to 45 days, during which a learner's instructional permit holder age 18 or older must wait before taking a driver's skills or road examination necessary to obtain a provisional driver's license. This waiting period is not reduced for a learner's instructional permit holder who has been convicted of, or granted probation before judgment for, a moving violation. Any learner's instructional permit holder age 18 or older must also complete at least 30 hours of classroom or Internet instruction and at least 6 hours of highway driving instruction and is exempt from other requirements applicable to individuals younger than age 18, including 60 hours of driving under supervision and the submission of a completed skills log book. The bill also requires the Motor Vehicle Administration (MVA), in consultation with the Maryland State Department of Education (MSDE), to adopt and enforce regulations for curriculum, equipment, and standards for an Internet driver education program that may be taken within a period of time as determined by the driving applicant.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF), general fund, and special fund revenues increase due to the collection of various additional MVA fees as a result of more adults obtaining driver's licenses under the bill's less stringent requirements than would otherwise occur. TTF expenditures increase by about \$107,100 in FY 2012 for MVA to hire an additional quality assurance supervisor to certify the Internet-based driver education curricula and to otherwise assist in implementing the bill, as well as for reprinting of forms and brochures.

Local Effect: Local highway user revenues increase from the distribution of additional vehicle-related fees into the Gas and Motor Vehicle Revenue Account. Expenditures are not affected.

Small Business Effect: Potential meaningful impact on small driver education schools.

Analysis

Current Law: The holder of a learner's instructional permit is prohibited from taking a driver skills or road examination for a provisional license within nine months from the date of issuance of the learner's instructional permit or from the date of conviction or the granting of probation before judgment, for a moving violation. A learner's instructional permit holder must also successfully complete an approved driver education program consisting of at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction, as well as at least 60 hours of driving practice (including 10 hours of nighttime driving) by a licensed driver who is age 21 or older and has been licensed for three years. The learner's instructional permit holder must also submit a completed skills log book signed by each supervising driver certifying the skills and driving practice requirements.

MVA, in consultation with MSDE, must adopt and enforce regulations to implement a standardized driver education program that includes curriculum, equipment, and standards for classroom, laboratory, and on-road instruction phases, as well as minimum student performance standards, and standards for certification of driving schools, instructors, and driver education programs.

Background: Chapter 483 of 1998, established the provisional driver's licensing system, which became effective on July 1, 1999. Data from the National Conference of State Legislatures show that, as of October 2009, 48 states and the District of Columbia have a three-stage licensing system consisting of a learner's permit, an intermediate or provisional license, and a permanent license. According to a 2006 study conducted by the Johns Hopkins Bloomberg School of Public Health, graduated driver licensing systems reduce the incidence of fatal crashes by 16-year-old drivers by 11%. Analyzing various components of state graduated licensing laws, the researchers found that, the greater the number of components, the fewer the fatalities. Thus, states with a five-component program reduced fatalities by 18% as compared with states with no graduated licensing laws, and states with a six- or seven-component program were able to reduce fatalities by 21%.

Chapter 453 of 2005 lengthened, from four months to six months, the waiting period before the holder of a learner's instructional permit can take the driver skills and road examinations. Chapters 184 and 185 of 2009 lengthened this waiting period again from

six months to nine months. Neither Act made a distinction between minor and adult learner's instructional permit holders.

A 2003 report from the Abell Foundation found that, at the time, Maryland was the most expensive state for those seeking to obtain a driver's license, among the most restrictive states for obtaining a driver's license, and that there were significant barriers to obtaining a driver's license for low-income individuals. In addition, it found that Maryland was the only state to require adult applicants for a driver's license to attend a private driver's school.

State Revenues: TTF, general fund, and special fund revenues increase, potentially significantly, due to the collection of various fees as more individuals apply for learner's instructional permits, become eligible for provisional and full driver's licenses following completion of driver's education programs, and purchase and maintain registered vehicles. The extent of the revenue increase is likely to be greatest in fiscal 2012 and 2013 as a large number of current adults without learner's instructional permits or driver's licenses attempt to obtain one after the passage of the bill, and due to the immediate qualification of a small number of adult learner's instructional permit holders whose waiting period to obtain a license has already exceeded 45 days.

Legislative Services advises that a reliable estimate of the increased collection of various vehicle-related fees by MVA cannot be made at this time due to numerous uncertainties. For example, although roughly 30,000 adult learner's instructional permit applicants did not complete a driver's education program in fiscal 2010, it is unknown how many individuals did not do so because the driver's education program was too onerous, as compared to other reasons. Further, it is unknown which vehicle-related fees will be paid by the additional individuals who complete a driver's education program under the bill but would not otherwise do so. However, *for illustrative purposes only*, if 5,000 additional adult learner's instructional permit holders complete a driver's education program under the bill, and the average new driver's license holder pays an average of \$200 annually in vehicle-related fees, then TTF, general fund, and special fund revenues increase by \$1 million on an annual basis.

State Expenditures: TTF expenditures increase by \$107,098 in fiscal 2012, which reflects the October 1, 2011 effective date, for MVA to hire an additional quality assurance supervisor to certify the Internet-based driver education curricula and to otherwise assist in implementing the bill, as well as for reprinting of forms and brochures.

	<u>FY 2012</u>	<u>FY 2013</u>
New Position	1	0
Salaries and Fringe Benefits	\$36,715	\$50,068
Start-up Costs and Operating Expenses	383	515
Reprinting Costs	<u>70,000</u>	<u>0</u>
Total State Expenditures	\$107,098	\$50,583

Future year expenditures reflect 4.4% annual increases in salaries and 3% employee turnover as well as 1% annual increases in ongoing operating expenses. The estimate does not account for any computer reprogramming costs, which MVA assumes can be handled with existing resources. It also assumes utilization of existing equipment.

Small Business Effect: The bill may have a meaningful beneficial impact on driver education schools to the extent that it results in a greater number of adults enrolling in driver education programs to obtain a provisional and full driver's license. This benefit may be partially offset by any loss in business that may occur as the result of the driver education curriculum being shifted to web-based services; the extent to which this may occur is uncertain. In addition, the bill may meaningfully benefit any small website developers and computer programming consultants used to develop or host the Internet driver education program established by the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 361 (Senators Raskin and Ramirez) - Judicial Proceedings.

Information Source(s): Maryland State Department of Education, Maryland Department of Transportation, National Conference of State Legislatures, The Abell Foundation, Johns Hopkins Bloomberg School of Public Health, Department of Legislative Services

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