

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 692 (Delegates Minnick and DeCarlo)

Commerce and Government Matters

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**Motor Vehicles - Alcohol and Drug Education Course - Certification Requirements**

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This bill requires the Motor Vehicle Administration (MVA) to adopt specific regulations governing the certification of private entities that offer alcohol and drug education courses to driver’s license applicants. The regulations must require the certification applicant to: (1) identify the physical premises that will be used to conduct the course; (2) submit verification of zoning compliance; (3) submit samples of all records and forms that will be used by the applicant and samples of all forms that will be furnished to the students of the course; and (4) submit a certified copy of the applicant’s driving record from any jurisdiction other than Maryland where the applicant has resided within the past three years.

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**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) expenditures could increase by \$66,800 in FY 1999; future years reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	66,800	76,400	79,100	81,800	84,600
Net Effect	(\$66,800)	(\$76,400)	(\$79,100)	(\$81,800)	(\$84,600)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

**Small Business Effect:** Minimal. The MVA caps the fee that private entities can charge for alcohol and drug education courses at \$35. To the extent that additional expenses are incurred to complete the requirements of the bill, small businesses that provide such courses may experience a minimal decrease in profits.

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**Fiscal Analysis**

**State Effect:** There are approximately 90 private providers of alcohol and drug education courses with over 150 locations in the State. Currently, the MVA requires a provider to identify all locations that will be used to conduct the courses. The MVA also currently reviews forms for use by the provider. The bill's additional requirements of collecting verification of zoning compliance and certified copies of out-of-state driving records will not impact the expenditures of the MVA. However, the MVA will adopt regulations to enforce the requirements of the bill that will require two additional Quality Assurance Supervisors to assist in the detection of fraud, to monitor locations and curriculum, to investigate complaints, and to perform site verification.

Accordingly, TTF expenditures could increase by an estimated \$66,828 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 150 provider locations across the State;
- regulations involving site inspections and various monitoring activities will be adopted; and
- extensive travel will be required.

Salaries and Fringe Benefits	\$53,233
One-time Start-up Costs	9,800
Ongoing Operating Expenses	<u>3,795</u>
<b>Total FY 1999 State Expenditures</b>	<b>\$66,828</b>

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

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**Information Source(s):** Department of Transportation (Motor Vehicle Administration),  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 1998  
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