

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 376 (Senator Teitelbaum. *et al.*)

Judicial Proceedings

**Vehicle Laws - Driving While License Suspended,
Revoked, or Canceled - Suspension of Registration**

This bill requires that the Motor Vehicle Administration (MVA) suspend, for up to 90 days, the registration of a vehicle operated by an individual whose license is suspended, revoked, or canceled. The registered owner must return the registration card and license plates to the MVA and may obtain special 90-day temporary registration and plates for a fee not to exceed \$50. The registered owner may request a hearing to show cause why the registration should not be suspended. If a hearing office finds in favor of the owner, the MVA must register the vehicle and issue new license plates at no charge.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by \$47,200 in FY 1999 exclusive of administrative hearings and computer programming. Future years reflect annualization and inflation. Indeterminate effect on revenues.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	--	--	--	--	--
SF Expenditures	\$47,200	\$50,200	\$52,000	\$53,800	\$55,800
Net Effect	(\$47,200)	(\$50,200)	(\$52,000)	(\$53,800)	(\$55,800)

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

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: Under existing law, the MVA must suspend the registration of a vehicle if the driver was driving on a license that was suspended, canceled, or revoked due to drunk or drugged driving, refusal to take a chemical test, or vehicular manslaughter. In fiscal 1997, the MVA suspended 354 registrations under the existing provision. Also in fiscal 1997, there were 171 violations of driving on a canceled license, 20,304 violations of driving on a suspended license, and 4,230 violations of driving on a revoked license.

While the MVA could handle some of the increased workload with existing resources, it is expected that the MVA will require two additional Customer Service Representatives to process suspensions, issue temporary registrations, and reissue permanent registrations. TTF expenditures could increase by an estimated \$47,206 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. 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. Additional administrative costs, such as postage costs, will increase by an indeterminate amount to notify those who are subject to a registration suspension.

The owner of the vehicle may request a hearing to show cause why the registration should not be suspended. It costs the MVA approximately \$62 in reimbursable funds for each MVA hearing conducted by the Office of Administrative Hearings. The number of hearings that may be administered to contest registration suspensions is uncertain. To the extent that an individual with a suspended license requests a hearing, TTF expenditures could increase.

The MVA advises that computer programming expenditures could increase by an estimated \$147,400 to modify the computer programs to expand the registration suspension system. The Department of Legislative Services (DLS) advises that if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the MVA system. Further, DLS advises that the increased computer expenditure is simply an estimate and the MVA may be able to handle the changes with either less money than it estimates or existing resources.

The expenditures of the District Court will not be affected. The court already notifies the MVA of such violations and includes the registration number of the vehicle in the notification.

State Revenues: Those individuals who are issued a 90-day temporary registration will be refunded the portion of the initial registration fee if more than a year remains on the

registration. They will then be required to pay a fee of up to \$50 to the MVA to obtain the temporary registration. The fee will mitigate any costs associated with producing the temporary registration plates. In order to be reregistered after the 90-day period, the owner of the vehicle must pay a full registration fee. For Class A passenger cars, the two year registration fee is \$70. TTF revenues should increase depending upon the number of temporary registrations that are issued. The impact of the registration fee refund and subsequent renewal of permanent registrations on TTF revenues is not expected to be significant.

The bill will increase the number of drivers who have a suspended registration. This may lead to an increase in fine revenue due to more violations of driving on a suspended registration. In fiscal 1997, there were 4,574 such violations.

The Office of Administrative Hearings imposes a \$15 filing fee per case which is deposited into the general fund. Depending upon the number of requested hearings, general fund revenue could increase. However, any such increase is assumed to be minimal.

Information Source(s): Department of Transportation (Motor Vehicle Administration), Judiciary (District Court), Office of Administrative Hearings, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 1998

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