

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 527 (Delegate Mandel. *et al.*)

Commerce and Government Matters

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Vehicle Laws - Drivers' Licenses - Graduated Licensing System

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This bill establishes a graduated licensing system for drivers under 18 years of age. The bill requires the Motor Vehicle Administration (MVA) to establish a pilot program in order to implement a driver examination that includes driving under actual highway conditions. The bill further alters the requirements for certification of driving instructors and expands the driver education program.

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Fiscal Summary

**State Effect:** Transportation Trust Fund expenditures could increase by \$165,600 in FY 1999; future years reflect annualization, inflation, and the pilot program's July 1, 1999 effective date. Estimates are exclusive of potentially significant computer programming, administrative hearings, and reprinting costs. Potential significant increase in revenues due to a possible fee increase.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	--	--	--	--	--
SF Expenditures	\$165,600	\$377,000	\$338,800	\$34,100	\$35,200
Net Effect	(\$165,600)	(\$377,000)	(\$338,800)	(\$34,100)	(\$35,200)

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Fiscal Analysis

**Bill Summary:** The bill extends the period of time that drivers would hold a learner's permit and a provisional license prior to obtaining a full license. The MVA may not issue a provisional license to an individual who has not reached the age of 16 years, 1 month. Those

individuals who hold a provisional license may not drive between the hours of 12 midnight and 5 a.m. except under specified circumstances. A full license may not be issued to an individual who has not reached the age of 17 years, 7 months. This period is further extended if the licensee is convicted of a moving violation. The MVA must keep records on all convictions earned by learner's permit and provisional license holders and issue administrative penalties for each first offense. The MVA may issue administrative penalties for each subsequent offense.

The bill further establishes a pilot program in which the MVA must review the effectiveness of the driver examination with respect to its ability to adequately measure applicants' skill in driving under actual highway conditions. The MVA must implement a driver road examination in at least one county, and must report to the General Assembly on the results of the pilot program and any recommendations by January 1, 2001. The pilot program is effective on July 1, 1999 and will sunset on June 30, 2001.

Furthermore, the bill provides that driver education programs must include at least six hours of highway driving instruction. Individuals applying to become certified classroom instructors must meet certain new qualifications including a demonstration of proficiency in teaching the adopted or approved driver education course. This driver education curriculum and teaching standard must be included by July 1, 1999.

**State Expenditures:** This bill will impact several areas of the MVA including the divisions of Administrative Adjudication and Driver Services and one MVA county office location to establish the pilot program.

#### *Administrative Adjudication Division*

This division is responsible for contacting licensees who have reached the number of points required for enrollment in a driver improvement program and for license suspensions and revocations. The bill requires that those individuals who hold a provisional license and have a conviction of a moving violation must attend a driver improvement program. The MVA may suspend the license of those individuals with a second offense. For a third offense, the MVA may revoke the individual's license. In fiscal 1997, there were 32,473 moving violation convictions for individuals under the age of 18.

TTF expenditures could increase by an estimated \$31,989 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of one additional Administrative Specialist. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The new employee will be mainly responsible for contacting provisional licensees who have convictions and preparing case files for administrative

hearings. Future year expenditures would be approximately \$35,000 annually and reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Due to the increased amount of punitive actions on young drivers by the MVA, it is expected that requests for administrative hearings will significantly increase. It costs the MVA approximately \$62 in reimbursable funds for each MVA hearing conducted by the Office of Administrative Hearings. To the extent that provisional license holders have their license suspended or revoked, TTF expenditures could increase.

The MVA advises that computer programming expenditures could increase by an estimated \$100,000 to modify the computer programs to track convictions associated with learner's permits and provisional licenses and to flag such driving records. 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.

### *Driver Services*

The Driver Services Division provides all the forms and documents associated with the licensing process. The MVA advises that these forms and documents will need to be modified to reflect the new requirements and expectations of learner's permit holders and provisional licensees. The modified forms and associated costs are as follows:

Forms	Quantity	Per Unit Cost	Total Cost
Drivers Handbook	220,800	\$0.54	\$119,232
Spanish Drivers Handbook	18,000	\$0.37	\$6,660
Parents Handbook and Drivers Log	200,000	\$1.00	\$200,000
Provisional Brochure	72,000	\$0.03	\$2,160
Driver License Application	553,000	\$0.03	\$16,590
Provisional Conversion Form	48,000	\$0.03	\$1,440

Total one-time costs for such form revisions is expected to be \$346,082 in fiscal 1999 only. However, DLS advises that MVA periodically reprints its documents and forms. A portion

of these funds may have already been budgeted for such reprinting costs. This division is also responsible for developing a standardized curriculum for use by private vendors. An additional one-time cost of \$50,000 will be incurred to distribute the standardized curriculum requirements, instructor books, and teaching aids. There are approximately 500 driver education instructors at 170 schools across the State.

*Driver Performance Evaluation Pilot Program*

The bill establishes a pilot program in which the MVA must review the effectiveness of the driver examination with respect to its ability to adequately measure applicants' skill in driving under actual highway conditions. The MVA advises that it will initiate this program at the Annapolis MVA office which administers approximately 10,000 drivers examinations per year. The current examination takes about 15 minutes while the revised highway testing takes about an hour. Currently, the Annapolis office employs seven full-time and three part-time Driver's License Examiners (DLE).

TTF expenditures could increase by an estimated \$163,224 in fiscal 2000, which accounts for the program's July 1, 1999 effective date. This estimate reflects the cost of six additional contractual DLEs to administer driver examinations. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect 1% annual increases for inflation.

The pilot program also authorizes private providers to administer driver skills examinations or driver road examinations. The MVA advises that it will certify private providers in the Annapolis and surrounding areas (an estimated 13 locations) to administer such exams. They will provide training to such providers and will monitor their activities. Accordingly, TTF expenditures could increase by an estimated \$133,581, which accounts for the bill's October 1, 1998 effective date and the program being in place for the program's effective date of July 1, 1999. This estimate reflects the cost of one contractual Project Manager, and three contractual Quality Assurance Supervisors. These employees will also monitor the activity of all private providers of driver education to ensure that they are complying with the standardized curriculum that would be implemented by the Driver Services Division. Future year expenditures reflect full salaries and 1% annual increases for inflation. Depending on the number of participating private providers, the MVA may require fewer employees to administer road tests in the pilot program.

Pilot Program Personnel Expenditures

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	1999	2000	2001
Drivers License Examiners	0	130,889	135,469
Project Manager	23,551	31,715	33,638
Quality Assurance Supervisors	65,976	88,848	94,234
One-time Start-up and Operating Expenses	44,054	93,523	42,372
<b>TOTAL</b>	<b>\$133,581</b>	<b>\$344,975</b>	<b>\$305,713</b>

MVA advises that it will be required to purchase cars for the Quality Assurance Supervisors to travel across the State to make compliance checks. The cost would be approximately \$37,800 in fiscal 1999. DLS notes that the Maryland Department of Transportation (MDOT) generally underutilizes their fleet of pool vehicles. Given this and the contractual status of the employees, MDOT may be able to reallocate the required vehicles to MVA in order to make more effective use of the vehicles that they already own.

The MVA advises that the University of Maryland will prepare a study to evaluate the revised driving test and to compare it to the current test that is offered to license applicants. The expected cost is approximately \$40,000. DLS advises that the MVA can complete the study internally and can absorb the costs of the development of the new test and the required report to the General Assembly with existing budgeted resources.

**State Revenues:** Although the bill does not require or authorize the action, the MVA has indicated that it may increase the fee for the issuance of a learner's permit. The current fee is \$30. The MVA expects to increase it by \$15 to \$45. There are approximately 132,000 learner's permits issued per year. Therefore, TTF revenues could increase by \$1,980,000 annually.

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

**Fiscal Note History:**

First Reader - March 2, 1998

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Analysis by: Jody J. Minnich

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710