

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**

Senate Bill 396

(Senator Jimeno)

Judicial Proceedings

Environmental Matters

**Commercial Drivers' Licenses - Standards, Requirements, and Penalties**

This bill establishes new and stricter sanctions for those who operate commercial motor vehicles and the holders of commercial driver's licenses. The bill requires uniform reporting procedures. Provisions that require the MVA to provide information to other states on criminal convictions within 30 days take effect September 30, 2005 and terminate at the end of September 29, 2008. As of the end of September 29, 2008, the MVA is required to provide that same information to other states within 10 days.

The bill is effective September 30, 2005.

**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) revenues increase by \$210,000 beginning in FY 2007 due to license reissuances. TTF expenditures increase in FY 2006 and 2007 for additional positions and one-time equipment expenditures. Out-years include annualization and inflation. Potential significant increase in TTF expenditures for computer programming in FY 2006 only. General fund expenditures increase for computer programming in the Judiciary in FY 2006 only.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$0	\$0	\$210,000	\$210,000	\$210,000
GF Expenditure	0	-	0	0	0
SF Expenditure	0	123,200	371,200	372,400	396,400
Net Effect	\$0	(\$123,200)	(\$161,200)	(\$162,400)	(\$186,400)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Potential increase in expenditures for computer programming and to the extent that more commercial drivers working for local governments are disqualified as a result of this bill.

**Small Business Effect:** Legislative Services advises that small businesses could be affected to the extent that more commercial drivers are disqualified as a result of this bill.

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## Analysis

**Bill Summary:** This bill requires the clerks of court and the Motor Vehicle Administrator to establish uniform reporting procedures. The MVA records on a first alcohol-driving offense or probation before judgment must be made available to other specified parties.

The sanctions which require disqualification of anyone who operates a commercial motor vehicle relating to refusal to take a test of blood or breath also apply to those who hold a commercial driver's license. If a holder of a commercial driver's license issued by another state refuses a test of blood or breath, the MVA is required to disqualify the person's privilege and report the test refusal and disqualification to the person's resident state.

In this bill, the definition of "conviction" is expanded to include a probation before judgment finding. The meaning of "hazardous materials" is expanded. The term "reckless driving" is expanded to mean: (1) driving a commercial motor vehicle without obtaining a commercial driver's license; (2) driving a commercial motor vehicle without a commercial driver's license in the driver's possession; (3) driving a commercial motor vehicle without the proper class of commercial driver's license; or (4) driving a commercial motor vehicle without the proper endorsements.

The requirement that MVA disqualify any individual from driving a commercial motor vehicle for a specified period if the individual commits specified crimes is applied to those holding a commercial driver's license. MVA records must reflect the imposition of sanctions on those who hold commercial driver's licenses within 10 days.

**Current Law:** The clerks of court are charged with custodial and recordkeeping duties, as specified. The MVA is required to keep all records relating to driver licensing. A record of a probation before judgment or a first alcohol-related driving offense must be segregated by the MVA and available only to the MVA, the courts, criminal justice agencies, and the defendant or defendant's attorney.

The term “conviction” means a final unvacated adjudication of guilt, but does not include a probation before judgment. “Hazardous materials” has the meaning determined by the applicable federal regulations. The term “serious traffic violation” means excessive speeding, as defined by federal regulation, reckless driving, and any violation of any state or local law (excluding parking violations) deemed by the U.S. Secretary of Transportation to be serious.

An individual may not drive a commercial vehicle unless the individual has been issued and is in immediate possession of a driver’s license valid for the class of vehicle being driven. A commercial driver’s license may be issued only to a qualified State resident who drives or will drive a commercial motor vehicle and qualified nonresidents.

If an individual is convicted of specified offenses while driving a commercial motor vehicle, the MVA is required to disqualify the individual from driving a commercial motor vehicle for periods ranging from 60 days to life. Within 10 days, the MVA must update its records to reflect sanctions imposed on commercial driver’s licenses, nonresident commercial driver’s privileges, or nonresidents who do not hold any license within specified time frames.

**Background:** The Federal Motor Carrier Safety Administration published a Final Rule to define requirements included in the Motor Carrier Safety Improvement Act of 1999. The Final Rule was intended to ensure uniformity among commercial driver’s license systems in all states. States are required to implement changes to commercial driver licensing and sanctioning procedures by September 30, 2005 or risk the loss of federal highway and Motor Carrier Safety Assistance Program (MCSAP) funding. For the first year that Maryland is not in compliance with federal requirements, the State could lose 5% of federal highway funds. Based on fiscal 2003 data, the State could lose \$13 million in federal highway funds and \$2.4 million in MCSAP funds, for a total of \$15.4 million. In the second and subsequent years of noncompliance the percentage of highway funds withheld could rise to 10%, or about \$30 million.

**State Revenues:** TTF revenues could increase by \$210,000 in fiscal 2007. All drivers who are disqualified must reapply to the MVA and pay for a new commercial driver’s license. These drivers must also retake the skills and knowledge tests. Disqualifications of commercial drivers may vary from 60 days to a lifetime with disqualifications for alcohol-related offenses in the range of one to three years. The MVA advises that in practice, the maximum disqualification for most alcohol-related offenses is one year. The estimate assumes that the MVA will begin processing disqualifications beginning in fiscal 2007, since the bill is not effective until September 30, 2005. Of the 50,000 commercial drivers licensed in Maryland, about 4%, or 2,000, will be subject to

disqualification sanctions at any given time. The fee for issuance of a new commercial driver's license, including retesting, is \$105.

### **State Expenditures:**

*Motor Vehicle Administration:* TTF expenditures could increase by \$123,184 beginning in fiscal 2006, accounting for the bill's September 30, 2005 effective date. In fiscal 2006, three administrative specialists would be needed to process the estimated 2,000 commercial driver's license disqualifications that could result from this bill. These positions would be responsible for creation of notices, preparation of statements and hearing documents, investigative paperwork, and follow-up to remove expired disqualifications. The estimate assumes that each analyst can complete about 650 disqualification cases annually. Out-years include annualization and inflation.

Beginning in fiscal 2007, TTF expenditures could increase to \$371,209 for five driver's license agent positions. The MVA expects to begin processing new licenses for those commercial driver's license holders who have completed disqualification periods in fiscal 2007. Of the 50,000 commercial driver's license holders in Maryland, an estimated 4%, or 2,000, would need to reinstate their licenses at any one time. Because the possession of a commercial driver's license is usually necessary for employment, the estimate assumes that all drivers who are disqualified will retake the knowledge and skills tests and pay the required fees to regain a new driver's license. The estimate assumes that each assistant would process 400 commercial driver's license tests on an annual basis. Out-years include annualization and inflation.

Federal provisions require a complete record check of every new, out-of-state, or renewal commercial driver's license holder for 10 years. Record verification would be required with national databases, including updating of the Commercial Driver License Information System within 96 hours and interaction with other state licensing authorities. The MVA advises that a one-time expenditure of \$172,500 in special funds in fiscal 2006 only would be needed for modifications to the MVA driver license system and other in-house programming changes. However, the Department of Legislative Services (DLS) advises that if other legislation is passed requiring computer programming 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 an estimate and that the MVA may be able to complete programming changes for less than is currently projected.

DLS also advises that in addition to the eight positions requested by the MVA to implement the bill's requirements, the MVA also requested five additional customer service assistants beginning in fiscal 2006 at a total cost of \$174,105, including salaries,

equipment and supplies (accounting for the bill's September 30, 2005 effective date). These positions would complete record edits of all new, out-of-state, or renewal commercial driver's license applicants, including a record check of 10 years for each applicant. DLS advises, however, that because of the extensive computer programming that would be required to implement this bill, it is likely that the record editing process could be almost completely automated. To meet the stricter federal deadlines regarding records modification and notification to federal and other state authorities, automation is crucial. If the record checking process can be automated, DLS advises that this function could be accomplished with existing personnel. However, because the ability of the MVA to automate this function could also be dependent on its ability to interface with federal and other state systems, it is possible that the MVA may not be able to completely automate this process. In that case, up to five additional customer agents could be needed to complete the extensive records check process required by this bill.

*Judiciary:* To meet the bill's requirements, creation of an electronic interface for the daily transmission of data from the courts to the MVA would be needed. Reporting of convictions for moving violations is currently a manual process. The Judiciary advises that creation of this interface will require coordination among different systems within the Judiciary, as well as with Montgomery, Prince George's and Baltimore counties and Baltimore City. The Judiciary advises that a one-time expenditure of \$83,344 in fiscal 2006 only would be required for computer programming changes. This does not include programming costs for Baltimore City, nor does it include the cost of system functions such as data storage, network loads and run-times, once they are operational. However, DLS advises that if other legislation is passed requiring computer programming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the Judiciary system. Further, DLS advises that the increased computer expenditure is an estimate and that the Judiciary may be able to accomplish the changes for a lower cost than is currently projected.

*Office of Administrative Hearings:* This bill is not expected to have a fiscal impact on the operations of the Office of Administrative Hearings because any workload increase can be accomplished with existing resources.

**Local Expenditures:** Potential increase in expenditures to fund the costs of transferring information to the Administrative Office of the Courts. Local governments would also be affected to the extent that they employ commercial drivers for governmental functions if more commercial drivers are disqualified due to the bill's requirements.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 163 (Chairman, Environmental Matters Committee) (By Request – Departmental – Transportation) – Environmental Matters.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Office of Administrative Hearings, Maryland Department of Transportation, Department of Legislative Services

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