

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 1358 (Delegate Conway, *et al.*)
 Environmental Matters and Health and Government Operations

State Police Helicopter Replacement Fund and Volunteer Company Assistance
 Fund - Moving Violations - Surcharges

This bill creates the State Police Helicopter Replacement Fund (SPHRF) and requires that a surcharge be assessed for every motor vehicle conviction for which points may be assessed. A specified amount of the collected surcharges must be allocated to the Volunteer Company Assistance Fund (VCAF) for two fiscal years. After those requirements are met, the collected surcharges must be allocated to SPHRF.

The bill takes effect July 1, 2005 and has prospective application.

Fiscal Summary

State Effect: Special fund revenues would increase by \$22.5 million in FY 2006 due to surcharges applied to motor vehicle moving violations. Out-years assume a stable caseload. General fund expenditures would increase by \$308,900 in FY 2006 only for computer modifications at the District Court to implement the surcharge. Potential minimal general fund expenditure increase for additional staff and resources for the District Court if significantly more motorists elect to stand trial rather than prepay penalties. Potential significant savings in future years for the Department of State Police (DSP) if that agency needs to purchase less auxiliary equipment due to available funding for helicopter replacement.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
SF Revenue	\$22,490,900	\$22,490,900	\$22,490,900	\$22,490,900	\$22,490,900
GF Expenditure	308,900	-	-	-	-
Net Effect	\$22,182,000	\$22,490,900	\$22,490,900	\$22,490,900	\$22,490,900

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

Local Effect: Local volunteer fire and rescue companies would benefit significantly from the increased allocations made to VCAF that would occur under this bill.

Small Business Effect: None.

Analysis

Bill Summary: The bill provides that, after consultation with police administrators and the Motor Vehicle Administrator, the Chief Judge of the District Court must design an arrest – citation form that includes a line on which to add the \$50 surcharge required by the bill. After conviction, the District Court is required to assess a \$50 surcharge to any imposed fine for a traffic violation in which points may be assessed. A police officer who issues a citation to a driver must, after computing the prepaid fine or penalty, add the \$50 surcharge to the amount of the total fine before presenting the citation to the driver. The Comptroller must annually pay the surcharges to the funds as required by the bill.

In fiscal 2006 and 2007, the first \$20 million in collected surcharges must be credited to VCAF. After those requirements are met, the collected surcharges must be credited to SPHRF established by this bill.

SPHRF is a special nonlapsing fund that is not subject to reversion to the State general fund. The State Treasurer is required to hold the fund separately and the Comptroller is required to account for the fund. The fund consists of collected surcharges as specified in the bill, investment earnings, and money received from any other source. Investment earnings of the fund must be separately accounted for, credited to the fund, and may not be allocated to the State general fund.

The funds in SPHRF must only be used for the procurement of new helicopters, auxiliary helicopter equipment, ground support equipment, and other capital equipment related to helicopters.

Current Law: VCAF is a special nonlapsing fund that is not subject to reversion to the State general fund. The Treasurer is required to hold the fund separately and the State Comptroller must account for the fund. The Governor is authorized to include an appropriation to VCAF. VCAF is composed of investment earnings and repayments of loans from the fund. The purpose of VCAF is to ensure adequate fire protection and rescue services. A grant or loan from VCAF may be used for fire fighting equipment, ambulances, rescue vehicles, communications, protective equipment, any other equipment necessary for fire fighting and rescue activities, and facilities for fire fighting and rescue vehicles.

The Motor Vehicle Administration (MVA) is required to maintain a point system for the refusal, suspension, or revocation of drivers' licenses. Any moving violation not enumerated and not contributing to the cause of an accident requires the assessment of one point against the driver's license. Up to 12 points may be assessed for a motor vehicle violation. Unless otherwise specified, a violation of any provision of the Maryland Vehicle Law is a misdemeanor subject to a maximum fine of \$500. Certain violations are subject to greater fines and/or imprisonment.

After consultation with police administrators and the Motor Vehicle Administrator, the Chief Judge of the District Court must design arrest – citation forms that must be used by all law enforcement agencies in the State when charging a person with a criminal, civil, or traffic offense. The forms are not required for violations by juveniles, violations of parking ordinances or regulations, and other specified violations. The Chief Judge of the District Court is required to print uniform motor vehicle citation forms and any other statewide citation forms for offenses that may be adjudicated in the District Court.

Background: The beginning balance for VCAF as of September 7, 2004 was \$2,783,342 and the fiscal 2005 appropriation was \$528,744. In December 2004, the Board of Public Works approved five loans of varying amounts for the purchase of rescue engines, a truck, pumper, and rescue squad for five volunteer fire and rescue companies. After approval of the loans by the Board of Public Works, the remaining balance in VCAF was \$578,763. The fiscal 2006 Governor's allowance is \$1 million.

The Joint Legislative Committee to Study and Make Recommendations About the State's Emergency Medical Response System discussed plans to finance replacement of helicopters for DSP during the 2003 interim. The Helicopter Replacement Committee (HRC) of the Emergency Medical Services Board advised the joint legislative committee that DSP should replace its current fleet of helicopters beginning in fiscal 2007, based on the longer life of properly maintained aircraft. The HRC also recommended that helicopters be replaced between 18 and 28 years of age. Spreading the helicopter replacements over the years is intended to reduce the financial impact. HRC evaluated helicopters from three manufacturers for their suitability as Medevac and law enforcement helicopters and determined that the "Eurocopter" was the preferred model. The 2002 base price for the Eurocopter (Dauphin) AS365N was \$5.7 million.

The District Court annually publishes a fine or penalty deposit schedule for certain motor vehicle violations and other transportation-related offenses. The amounts set forth in the schedule are "prepay" amounts, for which a motorist may pay the fine without a court appearance if he or she does not wish to contest guilt regarding the citation, or wishes to admit guilt with an explanation.

Some citations have no “prepay” fine or penalty attached. Instead, the violation may be designated as a “must appear” offense, in which the motorist may not pay a fine, but must appear in court to be tried for the traffic violation. Generally, motor vehicle violations that carry a term of imprisonment are designated as “must appear” offenses. For example, alcohol- and/or drug-related driving offenses are generally designated as “must appear.” Certain moving violations that contribute to an accident are regarded as “must appear” offenses along with other specified offenses.

State Revenues: Special fund revenues could increase by \$22,490,850 in fiscal 2006. In fiscal 2006, \$20 million of this amount would be allocated to VCAF and the remaining \$2,490,850 would be allocated to SPHRF. The motor vehicle caseload of the District Court may fluctuate from year to year due to unpredictable factors. This fiscal estimate assumes a stable caseload for the out-years. As a result, fiscal 2007 revenues are projected to be \$22,490,850 of which \$20 million would be allocated to VCAF and the remaining \$2,490,850 would be allocated to SPHRF. Attained revenues after fiscal 2007 would be allocated entirely to SPHRF. Because the bill is effective July 1, 2005 and any citation issued on or after July 1 would be subject to the \$50 surcharge, this estimate assumes a full year of attainment for revenues.

The projection is based on the fiscal 2004 motor vehicle caseload of the District Court. In that period, nearly 1.3 million citations were issued that were payable, must appear or alcohol- and/or drug-related driving offenses. Of those, 671,369 represent cases in which fines were paid. The estimate assumes that one-third of those citations would be for violations in which points would not be assessed, leaving a caseload of 449,817 eligible citations with the \$50 surcharge, for total revenue of \$22,490,850 on an annual basis.

State Expenditures: General fund expenditures in the District Court could increase by \$308,850 in fiscal 2006 only for modification of automated systems, cash register changes, redistribution of traffic citation forms and modification of the District Court’s Interactive Voice Response System.

General fund expenditures for the District Court could increase minimally to provide more staff and additional clerical and trial time to accommodate a larger number of defendants who may contest a moving violation citation because of the additional surcharge. In the event the citations are marked incorrectly and the surcharge is omitted, mailing costs could increase to notify defendants of insufficient payments. The District Court advises that staff and law enforcement training would also be required to comply with the bill.

DSP advises that the bill would not have a fiscal impact because the enforcement requirements could be met with existing resources and the agency is not responsible for the purchase of helicopters. However, DSP could incur potential significant savings in the out-years related to up to 20% of the costs for auxiliary helicopter equipment, ground equipment, and other helicopter-related capital equipment for which it is responsible.

The MVA advises that this bill would require the replacement and reprinting of forms, which could be accomplished with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mp/jr

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