

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 1383 (Delegates Kelly and Shank)
 Environmental Matters

Vehicle Laws - Right-of-Way - Penalties for Failure to Yield

This bill establishes additional penalties against a person convicted of failing to yield the right of way if the violation contributed to bodily injury or death. If the violation contributes to an accident that results in bodily injury to another person, the violator is subject to a \$500 fine and a 90-day license suspension. If the violation contributes to an accident that results in the death of another, the person is subject to a fine of \$1,000 and a 180-day license suspension. A driver subject to these sanctions may request a hearing on the license suspension.

Fiscal Summary

State Effect: Potential significant increase in general fund revenues as a result of the bill’s penalty provisions. General fund revenues increase by \$27,400 in FY 2007 due to filing fees for additional administrative hearings. Transportation Trust Fund (TTF) revenues increase by \$9,510 in FY 2007 due to additional license fees. TTF expenditures could increase by \$64,000 in FY 2007 for personnel and resources to handle the additional license suspension and hearing caseload generated by the bill. Out-years include annualization and inflation.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
GF Revenue	\$27,400	\$36,500	\$36,500	\$36,500	\$36,500
SF Revenue	9,500	12,700	12,700	12,700	12,700
SF Expenditure	64,000	73,700	76,800	80,100	83,600
Net Effect	(\$27,100)	(\$24,500)	(\$27,600)	(\$30,900)	(\$34,400)

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

Local Effect: The bill’s requirements could be enforced with existing resources.

Small Business Effect: None.

Analysis

Current Law: A vehicle at an intersection generally has the right of way over any other vehicle approaching from the left and must yield the right of way to any other vehicle approaching from the right. At a “T” intersection with no traffic control device, any person driving on a highway that intersects, but does not cross the highway, must yield to any other vehicle traveling on the other highway.

If a driver approaches a through highway, the driver must stop at the entrance and yield the right of way to any other vehicle approaching on the highway. A driver about to enter or cross a highway from a private road or driveway must yield the right of way to any approaching vehicles. A driver who is about to enter or cross a paved highway from an unpaved highway must yield the right of way to any other approaching vehicle on the paved highway.

A violation of any of these laws is a misdemeanor. A violator is subject to a maximum fine of \$500 and the imposition of one point if the violation does not contribute to an accident and three points if the violation contributes to an accident. The current penalty charged by the District Court for these offenses is \$70. There are no penalties associated specifically with accidents involving failure to yield right of way that result in bodily injury or death.

State Revenues: General fund revenues could increase by \$27,375 in fiscal 2007 from the filing fees for additional administrative hearings that could occur under the bill. Annualized revenue would be \$36,500, assuming no changes in caseload or fees.

The Motor Vehicle Administration (MVA) advises that, in fiscal 2004, there were 27,192 failure-to-yield accidents, including 84 fatalities and 2,265 injuries. The conviction rate with “failure to yield” as the primary cause, is about 27%. It should be noted that convictions involving injuries or fatalities may also result from other related charges, such as reckless or aggressive driving; however, this estimate assumes the conviction rate is 27%. Accordingly, there were about 634 failure-to-yield convictions that involved bodily injuries or fatalities.

The MVA experience indicates that about 46% of those who have licenses suspended request a hearing. The estimate assumes that 27%, or 634, of those who are involved in failure-to-yield accidents with injury or death are convicted, have their licenses

suspended, and that 46%, or 292, of that group request an administrative hearing and pay the filing fee of \$125.

General fund revenues could increase significantly due to the bill's penalty provisions for those cases heard in the District Court.

TTF revenues could increase by \$9,510 in fiscal 2007, accounting for the October 1 effective date of the bill as those convicted for the offenses described above will have their licenses suspended for three or six months and must pay \$20 to obtain a new license. Annualized revenue would be \$12,680, assuming no changes in caseload or fees. This assumes that 634 additional drivers could be convicted of the proposed crime and have their licenses suspended as a result of the bill.

State Expenditures: TTF expenditures could increase by an estimated \$64,034 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects the cost of hiring one customer service agent to prepare suspension and administrative hearing notices associated with new cases. It includes a salary, fringe benefits, one-time start-up costs, expenditures for additional administrative hearings, and ongoing operating expenses.

Salary and Fringe Benefits	\$31,874
Administrative Hearing Fees	21,900
Other Operating Expenses	<u>10,260</u>
Total FY 2007 State Expenditures	\$64,034

Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The MVA advises that computer programming modifications to the driver licensing system that could be required by the bill could result in a one-time expenditure of \$90,000 in fiscal 2007 only. 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 handle the changes within existing resources. It is also assumed that the mailing and printing costs from additional notices would be absorbed within existing resources.

Additional Information

Prior Introductions: This bill is a reintroduction of SB 963 of 2005, which was heard in the Judicial Proceedings Committee, but received no further action. SB 782 of 2004 is a prior introduction of this bill that received an unfavorable report from the Judicial Proceedings Committee. Similar bills were introduced in 2003 as SB 719 and HB 1114, which would have allocated the additional penalty revenue to a fund for motorcycle safety programs. SB 719 was heard by the Judicial Proceedings Committee, which took no action. HB 1114 received an unfavorable report from the Judiciary Committee.

Cross File: SB 429 (Senator Giannetti, *et al.*) – Judicial Proceedings.

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

Fiscal Note History: First Reader - February 15, 2006
ncs/ljm

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