

Department of Legislative Services  
 Maryland General Assembly  
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1118 (Delegate Stukes, *et al.*)  
 Environmental Matters

Transportation - Dropouts - Prohibition on Obtaining Driver's License

This bill prohibits the Motor Vehicle Administration (MVA) from issuing a driver's license to an individual 16 or older who does not possess a high school diploma or is not enrolled in a public or private high school or other recognized education program to complete the requirements of a high school education.

Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) revenues would decrease by \$4.5 million in FY 2008 and by \$5.9 million annually thereafter due to decreased driver's license fee revenues. Potential increase in TTF expenditures in FY 2008 only for computer reprogramming costs.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
SF Revenue	(\$4,462,000)	(\$5,949,300)	(\$5,949,300)	(\$5,949,300)	(\$5,949,300)
SF Expenditure	-	0	0	0	0
Net Effect	(\$4,462,000)	(\$5,949,300)	(\$5,949,300)	(\$5,949,300)	(\$5,949,300)

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

**Local Effect:** None.

**Small Business Effect:** Individuals who do not possess a high school diploma would no longer be eligible for a driver's license. As such, small businesses that are either owned by or employ such people would be affected.

## Analysis

**Current Law:** An individual may not drive or attempt to drive a motor vehicle on any highway in this State unless the individual holds a driver's license, the individual is expressly exempt from licensing requirements, or the individual is otherwise specifically authorized to drive the class of vehicles that the individual is driving or attempting to drive. Among those specifically exempt from the licensing requirement is a nonresident of the United States if the individual has a valid license issued by the country of residence, the individual's license authorizes the operation of the class of vehicles being driven, the individual meets the minimum age requirements for driving the class of vehicle and, except as specified, the vehicle is not a commercial vehicle.

A person who drives a motor vehicle in the State without a proper license or authorization or a specific exemption is guilty of a misdemeanor and is subject to a maximum fine of \$500. There is no prepayment for this offense; the offender must appear in court. The MVA is required to assess five points against the offender's license. A second or subsequent violation subjects the offender to a maximum fine of \$500 and/or imprisonment for up to one year.

The MVA is prohibited from issuing a license to an individual:

- during any period of revocation, suspension, refusal, or cancellation, except as specified;
- who is an habitual drunkard or habitual drug user, as specified;
- who previously has been adjudged to be suffering from a mental disability or disease and has not been adjudged competent;
- who is required under the Maryland Vehicle Law to take an examination, unless the individual has passed the examination;
- whose driving skills the MVA has good reason to believe would be hazardous to the public safety or welfare;
- who is unable to exercise reasonable control over a vehicle due to a disease or physical disability, except a restricted license may be issued under specified circumstances;
- who is unable to understand highway warning or direction signs written in the English language;
- who is unable to sign the individual's name for identification purposes;
- who is 70 or older and applying for a new license, unless the applicant presents proof of satisfactory operation of a motor vehicle or written certification from a physician, as specified; or

- who otherwise does not qualify for a license.

**Background:** According to the U.S. Census Bureau, in 2000, 83.8% of the Maryland population 25 years or older had a high school diploma. That same year, 79.6% of the Maryland population 18 to 24 had a high school diploma or equivalent. In total, 16.6% of the population older than 18 does not have a diploma.

**State Revenues:** TTF revenues would decrease by \$4.5 million in fiscal 2008 and by \$5.9 million annually thereafter. This estimate is based on the following facts and assumptions:

- there were 477,967 new driver's license transactions and 601,329 renewals in fiscal 2006;
- new license transactions and renewals would stay constant at fiscal 2006 levels;
- the MVA could issue or renew a driver's license to an individual who does not have a high school diploma;
- all new driver's license transactions are subject to a \$45 fee;
- all renewal transactions are subject to a \$30 fee;
- 16.6% of the State population does not have a high school diploma or its equivalent and are not enrolled in any program to obtain their degree; and
- approximately 1.6% of the adult population would otherwise not qualify for a license due to existing prohibitions – thus, 15% of the population would no longer qualify for a license.

**State Expenditures:** The MVA would have fewer transactions to process due to a reduction in driver's license transactions. However, the MVA processed 26.4 million transactions in fiscal 2006, of which 9.1 million were walk-in transactions. Even if every transaction were a walk-in transaction (and 14.8% of driver's licenses were renewed by mail in fiscal 2006), transactions involving an individual who would no longer qualify for a license would account for approximately 1.8% of all walk-in transactions. Accordingly, it is assumed that the staff time saved from no longer processing these driver's licenses transactions would be redirected to other MVA functions in order to reduce MVA wait times (44 minutes in fiscal 2006).

The MVA advises that it would be required to update its driver's handbooks to reflect the changes. The MVA estimates this would cost \$60,432. Legislative Services advises that the MVA has to revise its forms annually to reflect current law, and that this is a normal cost of business that could be handled with existing resources.

The MVA advises that computer reprogramming associated with this bill would cost \$54,000. Legislative Services advises that, if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Association of Boards of Education, Maryland State Department of Education, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2007  
mll/ljm

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