

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 191 (Delegate Holmes)
Environmental Matters

Vehicle Laws - Driver's Licenses - Alcohol and Drug Test for Underage Applicants

This bill requires the Motor Vehicle Administration, as part of its driver's license examination, to test each applicant for an original or provisional license who is younger than 21 for the presence of alcohol or an unlawful controlled dangerous substance under established testing procedures. This requirement may not be waived by MVA. Upon a positive test result, the applicant is not entitled to a driver's license or provisional driver's license, and MVA is required to suspend the privilege to drive for six months. Any licensee or applicant whose privilege is suspended is entitled to a hearing under regulations to be developed by MVA.

Fiscal Summary

State Effect: Transportation Trust Fund expenditures would increase by at least \$945,500 in FY 2009 due to the cost of computer reprogramming, hiring new personnel, and procuring testing supplies. However, this estimate does not account for one-time capital costs associated with modifying existing facilities to accommodate testing and ongoing operating costs associated with the suspension of driving privileges, neither of which can be reliably quantified at this time. TTF revenues could increase in FY 2009 and annually thereafter due to revenues from reinstating suspended licenses and to meet existing cost recovery programs; a reliable estimate cannot be made at this time.

Local Effect: None.

Small Business Effect: None.

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, is expressly exempt from licensing requirements, or is otherwise specifically authorized to drive the class of vehicle that the individual is driving or attempting to drive. To be entitled to a driver's license, an applicant must pass a driver examination, surrender the last learner's permit received, if any, and pay applicable fees.

Prior to issuing a driver's license, MVA is required to issue to an applicant a learner's instructional permit unless otherwise permitted by MVA by virtue of being already licensed in another state or country, or by the armed forces. A learner's permit may only be issued to an individual who is at least 15 years and 9 months old. Upon issuance of the learner's permit, the holder may drive under the immediate supervision of an adult over 21 who has held a driver's license for at least three years. The holder of a learner's permit is then required to wait six months from the date of issuance of the permit or from the date of the last moving violation to take a driver examination.

The requisite driver examination tests vision, the ability to read and understand highway signs, knowledge of traffic laws and safe driving practices, and a demonstration of the applicant's ability to exercise reasonable control in driving a motor vehicle.

Upon successful completion of the examination, an applicant who held a learner's permit or who held another state's or country's driver's license for less than 18 months, is entitled to receive a provisional driver's license, as long as the applicant is at least 16 years and 3 months old. Once a provisional license is granted, the licensee must wait 18 months from the date of issuance, the date of the last moving violation or provisional license restriction offense, or the date of restoration of a suspended or revoked license, before a full driver's license may be obtained. In any event, MVA may not issue a full license to an applicant who is younger than 17 years and 9 months old.

MVA is required to issue a restriction on the license of a driver younger than 21, which prohibits the licensee from driving with alcohol in their blood. MVA must require participation of a licensee convicted of driving while impaired or under the influence of drugs or alcohol in the Ignition Interlock System Program. MVA may require a licensee younger than 21 to remain in the program for up to three years.

State Expenditures: TTF expenditures would increase by at least \$945,537 in fiscal 2009 and by at least \$1,240,215 annually beginning in fiscal 2010. This estimate primarily reflects the cost of hiring two classes of personnel. It includes salaries, fringe benefits, and ongoing operating expenses. It also assumes that blood testing would be

available during restricted hours. The estimate does not factor in capital costs for site modifications to accommodate such testing or the costs associated with suspending licenses. Thus, costs would be greater, perhaps significantly so.

Customer Service Transactions: TTF expenditures could increase by an estimated \$305,106 in fiscal 2009 and an annual cost of \$414,992 beginning in fiscal 2010 due to the hiring of nine new customer agents. The additional step in the procedure required to obtain a driver's license introduced by this bill would significantly increase the volume of transactions at the 16 MVA sites where blood tests would be administered. This volume increase is such that MVA could hire an additional 16 customer agents on a part-time basis to staff the customer reception counter at each site. However, the Department of Legislative Services assumes that, with restricted hours for the administration of blood tests, MVA could instead hire eight full-time customer agents that rotate between sites according to the volume at each site. In addition, MVA would hire one full-time customer agent at the Customer Service Center to handle the anticipated increase in the volume of calls. The information and assumptions used in calculating this estimate are stated below:

- an additional 15 minutes of customer service time would be needed for each applicant;
- the number of applicants younger than 21 who would be subject to the test is 65,000, which reflects the 2007 figure;
- 16 sites would be equipped for administering the new test;
- eight customer service agents would be distributed among various sites each week according to the volume at each site, while the ninth would be at a central location full time;
- each of the nine customer agents would start at grade 10 on the State salary schedule; and
- future year expenditures reflect full salaries with 4.4% annual increases and 3% employee turnover, and 2% annual increases in ongoing operating expenses.

Blood Testing: TTF expenditures could increase by an estimated \$306,086 in fiscal 2009 and an annual cost of at least \$416,324 beginning in fiscal 2010 due to the hiring of eight new medical personnel trained in phlebotomy to administer blood tests. The information and assumptions used in calculating this estimate are stated below:

- blood tests would be administered at 16 MVA sites;

- hours of availability for administration of the new test would be restricted at each site, in periods that are staggered to allow each of the eight new medical personnel to rotate among sites each week according to the volume at each;
- the medical personnel administering blood tests would start at grade 12 on the State salary schedule; and
- future year expenditures reflect full salaries with 4.4% annual increases and 3% employee turnover, and 2% annual increases in ongoing operating expenses.

TTF expenditures would further increase by an estimated \$281,250 in fiscal 2009 and an annual cost of at least \$382,500 beginning in fiscal 2010 due to the costs of purchasing blood test kits. The information and assumptions used in calculating this estimate are stated below:

- approximately 75,000 blood test kits would need to be ordered annually to account for increased demand and multiple tests per individual; and
- each blood test kit costs about \$5.

Computer Programming: MVA advises that it would not likely be able to handle all of the computer reprogramming responsibilities required by the bill without the assistance of outside contractual services. The additional reprogramming of MVA software to account for the new testing and licensing procedures could require as much as 150 hours of contractual services, at a cost of \$33,750 in fiscal 2009. The fiscal impact analysis has factored in this cost, although it is also possible that the computer reprogramming could be handled with existing resources. Notwithstanding this possibility, if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce the cost associated with this bill and other legislation affecting the MVA system.

Total Quantifiable Costs: Below is a summary of expenditures for fiscal 2009 based on the total quantifiable costs associated with this bill.

Positions	17
Salaries and Fringe Benefits	\$614,453
Operating Expenses	<u>331,084</u>
Total Quantifiable FY 2009 State Expenditures	\$945,537

Costs Not Factored Into Estimate: However, the above estimate does not account for a substantial portion of the total costs associated with implementing this bill in fiscal 2009. MVA advises that its sites are not equipped with the type of facilities needed to

administer a blood test. Therefore, a substantial increase in TTF expenditures would be necessary in fiscal 2009 for the one-time cost of building modifications.

In addition, there could be significant costs associated with the suspension of an applicant's driving privileges in the event that the applicant tests positive for alcohol or other controlled dangerous substances. However, these costs cannot be reliably quantified at this time as there are no data available regarding the number of individuals who might test positive when applying for a driver's license. *For the purpose of illustration only*, if 5% of applicants were to have their driving privilege suspended due to failure of the required blood test, TTF expenditures could increase by an estimated \$165,750 in fiscal 2009 and \$221,000 annually thereafter due to the costs associated with the suspension of driving privileges. The information and assumptions used in calculating this estimate are stated below:

- the number of applicants younger than 21 who would be subject to the test is 65,000, which reflects the 2007 figure;
- MVA would incur the cost of correspondence with those drivers whose privileges would be suspended;
- about 50% of drivers whose driving privileges are suspended request a hearing; and
- the cost to MVA for a suspension-related hearing is \$125.

State Revenues: In addition, there could be a significant increase in TTF revenues due to an increase in fees collected for reinstatement of suspended driver's licenses. However, these costs cannot be reliably quantified at this time as there are no data available regarding the number of individuals who might test positive when applying for a driver's license. *For the purpose of illustration only*, if 5% of applicants were to have their driving privilege suspended due to failure of the required blood test, TTF revenues could increase by an estimated \$16,250 in fiscal 2009 and \$65,000 annually thereafter. The information and assumptions used in calculating this estimate are stated below:

- the cost to reinstate a suspended license by issuing a duplicate license is \$20; and
- there would be no new revenues associated with the issuance of a duplicate license until April 1, 2009 because of the six-month suspension period.

Finally, statute mandates that MVA recover all costs by setting the levels of miscellaneous fees, including driver's license application fees, so that the total projected revenues are at least 95% but do not exceed 100% of the sum of its operating budget, average annual capital program, and share of costs for use of the Maryland Department of Transportation's data center operations. In accordance with this cost-recovery

requirement, TTF revenues would increase in future years should MVA need to raise its various fees to recover the additional costs associated with this bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

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mll/ljm

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