

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

House Bill 1349 (Delegate Weir, *et al.*)
 Environmental Matters

Vehicle Laws - Driver Improvement Programs - Deduction of Accumulated Points

This bill authorizes the Motor Vehicle Administration to deduct up to two points assessed against a driver in a two-year period if the driver attends a driver improvement program administered or approved by MVA.

Fiscal Summary

State Effect: Transportation Trust Fund expenditures could increase by \$198,500 in FY 2009 due to the cost of additional personnel and equipment, and communication with affected licensees. TTF revenues could decrease to the extent that MVA would collect fewer fees for renewal or reinstatement of suspended or revoked licenses. Out-years reflect annualization, inflation, and increased participation in the program.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
SF Revenue	(-)	(-)	(-)	(-)	(-)
SF Expenditure	198,500	248,600	260,500	273,000	286,200
Net Effect	(\$198,500)	(\$248,600)	(\$260,500)	(\$273,000)	(\$286,200)

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

Local Effect: None.

Small Business Effect: Potential significant increase in business opportunities for Maryland small businesses that provide driver improvement services.

Analysis

Bill Summary: MVA is required to notify any driver who has accumulated two or more points of their right to have the points deducted after undergoing a driver improvement program. It is the responsibility of the driver to request the point deduction following completion of the driver improvement program.

Points must be deducted by MVA chronologically such that the points associated with the earliest convictions are deducted first.

Current Law: After the conviction of an individual for a violation of the vehicle laws or regulations of the State or any local authority, points are to be assessed against the individual as of the date of the violation in accordance with the points system established by MVA. A point assessed against an individual must be retained on the individual's driving record for two years.

Certain Maryland Vehicle Laws and regulations state that an individual's license may be suspended or revoked only after a hearing. If an individual is convicted of one or more moving violations then, after a hearing, the individual may be required by MVA or a court, to attend a driver improvement or alcohol education program as a condition of reinstatement of the driver's license. In addition, if the individual fails to attend a required hearing, the individual may be required by a court or by MVA to attend a driver improvement or alcohol education program.

MVA is required to send a warning letter to an individual who accumulates three points. Upon accumulation of five points, an individual is required to attend a point system conference. MVA is required to suspend the license of an individual who has accumulated 8 points and revoke the license of an individual who has accumulated 12 points.

Expungement refers to the removal of all points and violations from a person's public driving record, but the Maryland Vehicle Laws do not currently provide for the removal of individual points. A person's public driving record is automatically expunged after three years unless the individual • has been convicted of a moving violation; • has been convicted, or granted probation before judgment, for certain criminal offenses; or • has had their driver's license suspended or revoked. A person may also request the manual expungement of their public driving record. This request may be refused by MVA under certain circumstances.

Background: Several other states including Virginia, Delaware, and New Jersey administer similar driver improvement programs that allow for a deduction of accumulated points assessed against a driver's license.

State Revenues: TTF revenues could decrease to the extent that MVA would collect fewer fees for the correction, renewal, or reinstatement of suspended or revoked licenses.

State Expenditures: TTF expenditures could increase by an estimated \$198,519 in fiscal 2009, which accounts for the bill's October 1, 2008 effective date. This estimate reflects the cost of hiring four additional customer agents to determine what administrative actions should be taken and process the subsequent transactions. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- half of the 230,878 individuals with two or more points on their driving record, or 115,439 licensees, will complete a driver improvement program;
- each customer agent can process approximately 110 transactions daily; and
- currently, driver improvement services are offered by private entities approved by MVA, so that no additional staff would be needed at MVA to conduct such services.

	<u>FY 2009</u>	<u>FY 2010</u>
Positions	4	
Salaries and Fringe Benefits	\$151,413	\$205,899
Equipment and Supplies	16,630	857
Communications	30,476	41,854
Total TTF Expenditures	\$198,519	\$248,610

Future year expenditures reflect • full salaries with 4.4% annual increases and 3% employee turnover • 2% annual increases in ongoing operating expenses and • a 1% growth rate in participation in the program.

In addition, MVA advises that the bill would require reprogramming of its computer systems. Legislative Services concurs with this assessment, and advises that if this work cannot be handled with existing staff and resources, it may be necessary to contract with an outside computer services vendor at a cost of between \$112,500 and \$450,000.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mam/ljm

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