

Department of Legislative Services  
 Maryland General Assembly  
 2009 Session

FISCAL AND POLICY NOTE

House Bill 1412 (Chair, Environmental Matters Committee)(By Request -  
 Departmental - Transportation)

Environmental Matters

Judicial Proceedings

Vehicle Laws - Motor Vehicle Administration Point System

This departmental bill repeals the point system conference and instead requires all drivers who accumulate five to seven points within a two-year period to attend the more comprehensive Driver Improvement Program. Provisions establishing points for driving while a license is refused, canceled, suspended, or revoked are clarified. The bill includes other provisions intended to increase operating efficiency.

Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) expenditures increase by as much as \$17,600 in FY 2010 only for computer programming to implement changes required by the bill, offset by annual savings due to reduced mailing expenses for notifications. Out-years reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	17,600	(23,400)	(23,700)	(23,900)	(24,100)
Net Effect	(\$17,600)	\$23,400	\$23,700	\$23,900	\$24,100

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

**Local Effect:** None.

**Small Business Effect:** The Maryland Department of Transportation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

## **Analysis**

**Bill Summary:** Commercial license holders who drive commercial motor vehicles while subject to a driver or vehicle out-of-service order are subject to the assessment of 12 points for the violation. The requirement that the Motor Vehicle Administration (MVA) request a return receipt when sending by certified mail a notice of driver license suspension or revocation is repealed. The points requirements that limit the discretion of a hearing officer to decide whether to alter a license suspension or revocation are repealed. Instead, the authority of hearing officers is expanded so that hearing officers can make decisions about whether to alter a license suspension or revocation solely on whether the sanction may adversely affect the employment of or opportunity for employment of the driver.

**Current Law:** MVA is authorized to conduct a point system conference, Driver Improvement and Alcohol Education programs. Except as otherwise specified, a point system conference is required for any driver who accumulates five or more points within a two-year period. If a driver is convicted of one or more moving violations, or after a point system conference, or hearing, as specified, or after failing to attend a point system conference, MVA may require the driver to attend a Driver Improvement Program or an Alcohol Education Program. A court may also impose this sanction. MVA is required to set a reasonable fee for point system conferences or the programs authorized. Drivers may attend authorized conferences or programs that are provided by local governments or private entities.

After conviction of an offense under the Maryland Vehicle Law, State or local traffic regulations, or specified vehicular manslaughter or homicide offenses, State law has established a system of points to be assessed against the driver's license. For points accumulated within a two-year period, MVA must impose certain sanctions. The specific offenses and the points to be assessed are set forth in statute. A warning letter must be sent to each individual who accumulates three points. A driver must attend a point system conference upon accumulating at least five points, except that specified licensees who submit evidence that they are professional drivers are not subject to the conference sanction until the accumulation of eight points within a two-year period. If a driver accumulates eight points, MVA must issue a notice of license suspension. For the accumulation of 12 points, MVA must issue a notice of license revocation. For commercial drivers, the violation of driving a commercial motor vehicle while the driver's license is refused, canceled, suspended, or revoked requires the assessment of 12 points. The offense of driving a commercial motor vehicle while subject to a driver or vehicle out-of-service order, however, is not subject to the assessment of points.

The notice of license suspension or revocation must be personally served or sent by certified mail, return receipt requested. The notice must inform the driver of the duration of the suspension or revocation and the driver's right to request a hearing within 10 days after the notice is sent. Unless a hearing is requested, each notice of license suspension or revocation is effective at the end of the 10-day period after the notice is sent. Minimum and maximum periods for license suspensions are established depending on the type of offense and the number of previous convictions. MVA is authorized to issue a restrictive license for the suspension period to a driver who participates in the Ignition Interlock System Program.

Except as otherwise specified, a hearing officer may decline to order a license suspension or revocation, or cancel or modify the suspension or revocation if the license suspension or revocation may adversely affect the driver's employment or the opportunity for employment. If a driver is required to drive a motor vehicle in the course of regular employment, the driver's license may not be suspended until the driver accumulates 16 points within a two-year period. Revocation requires 19 points within the same period.

**Background:** MVA advises that this bill is intended to improve customer service and the security and safety of Maryland roadways. Under current law, for some moving violations, MVA is required to assess the points manually. Clarifying language in the bill allows the automation of the points assessment process. The bill's provision to assess 12 points to commercial drivers for driving a commercial vehicle while subject to a driver or vehicle out-of-service order is intended to correct an omission in Chapter 275 of 2008 which pertains to commercial driver's licenses and sanctions for commercial driving violations.

MVA advises that the elimination of the points system conference is intended to streamline administration of driver sanctions. The point system conference is a two-hour seminar provided by private driving schools, intended as a warning and precursor to additional administrative sanctions upon conviction for additional moving violations. The point system conference is a portion of the Driver Improvement Program. The Driver Improvement Program is a five- to six-hour course which focuses on driver behavior and attitudes, as well as those subjects covered in the point system conference. The elimination of the point system conference is intended to reduce confusion for drivers and allow MVA to focus its resources solely on the Driver Improvement Program. MVA notes that 52% of drivers assigned to point system conferences did not complete the program and were subsequently required to attend a Driver Improvement Program.

MVA also advises that the bill is intended to place all drivers on an equal footing when requesting a modification of a license suspension or revocation imposed due to points accumulation. Hearing officers will have expanded authority to modify suspensions or

revocations based on their determination that the individual needs a license for employment without accounting for extended points accumulation.

**State Fiscal Effect:** Expenditure savings are anticipated from this bill, offset by additional expenditures in fiscal 2010 only for computer programming changes. Thus, TTF expenditures increase by \$17,595 in fiscal 2010. This estimate reflects cost savings of \$17,405 from the elimination of return receipts for those license suspension and revocation notifications that are sent by certified mail. Annual savings of \$23,206 occur from the bill. MVA advises that as of July 23, 2008, 21,095 individuals had at least eight points on their driver's licenses. Active points stay on the driving record for two years. Based on the information from July 23, 2008, 10,548 individuals receive notifications annually. A cost savings of \$2.20 per notification occurs assuming postal rates remain constant.

In fiscal 2010 only, the notification cost savings will be offset by additional TTF expenditures of about \$35,000 for computer programming to implement the changes required by the bill.

Other provisions of the bill are likely to increase operating efficiencies for MVA. The fiscal impact of any efficiencies cannot be reliably estimated at this time.

**Additional Comments:** The Maryland Vehicle Law authorizes MVA to conduct a point system conference and the Driver Improvement Program, among other programs to rehabilitate drivers. State law requires that individuals who attend such a conference or program pay a fee in advance. MVA is required to set a reasonable fee based on the cost of operating the programs or conferences. (*See* Transportation Article § 16–212.) In the Code of Maryland Regulations, MVA has established a fee of \$60 for the Driver Improvement Program and a fee of \$25 for rescheduling the program. No fee is established in the Code of Maryland Regulations for the point system conference. MVA advises, however, that private vendors administer the point system conference and the Driver Improvement Program. As a result, MVA does not charge any fees to drivers for either the point system conference or the Driver Improvement Program. MVA does, however, charge an application fee of \$300 for those vendors authorized to provide the point system conference and Driver Improvement Program.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Maryland Automobile Insurance Fund, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2009  
ncs/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Vehicle Laws – Motor Vehicle Administration Point System

BILL NUMBER: HB 1412

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.