

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 358 (Delegate Weir, *et al.*)
 Environmental Matters

Vehicle Laws - Driver Improvement Programs - Deduction of Accumulated Points

This bill authorizes the Motor Vehicle Administration (MVA) 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 (TTF) expenditures increase by at least \$240,220 in FY 2010 for additional personnel, equipment, and communication with affected licensees. TTF expenditures may increase further in FY 2010 only for computer reprogramming. TTF revenues decrease to the extent that MVA collects fewer fees for renewal or reinstatement of suspended or revoked licenses. Out-years reflect annualization and inflation.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	(-)	(-)	(-)	(-)	(-)
SF Expenditure	\$240,200	\$306,000	\$318,100	\$330,900	\$344,300
Net Effect	(\$240,200)	(\$306,000)	(\$318,100)	(\$330,900)	(\$344,300)

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

Local Effect: None.

Small Business Effect: Potential meaningful 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 his or her 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 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 Law does not currently provide for the removal of individual points. A person's public driving record is automatically expunged after three years unless the individual (1) has been convicted of a moving violation; (2) has been convicted, or granted probation before judgment, for certain criminal offenses; or (3) has had his or her driver's license suspended or revoked. A person may also request the manual expungement of his or her 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 Fiscal Effect: TTF expenditures increase by an estimated \$240,225 in fiscal 2010, which accounts for the bill's October 1, 2009 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 approximately 207,000 individuals with two or more points on their driving record, or 103,500 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 are needed at MVA to conduct such services.

	<u>FY 2010</u>	<u>FY 2011</u>
Positions	4	
Salaries and Fringe Benefits	\$167,131	\$226,951
Equipment and Supplies	13,950	848
Communications	<u>59,144</u>	<u>78,192</u>
Total TTF Expenditures	\$240,225	\$305,992

Future year expenditures reflect full salaries with 4.4% annual increases; 3% employee turnover; and 1% annual increases in ongoing operating expenses.

In addition, MVA advises that computer reprogramming is necessary to implement the requirements of this bill. If MVA is unable to accomplish this computer reprogramming 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 \$500,000. Legislative Services advises that, if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized should it be necessary to retain outside contractual services; this would reduce the costs associated with this bill and the other legislation affecting MVA.

TTF revenues decrease to the extent that MVA collects fewer fees for the correction, renewal, or reinstatement of suspended or revoked licenses.

Additional Information

Prior Introductions: A nearly identical bill was introduced in the 2008 session as HB 1349 and received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

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

Fiscal Note History: First Reader - February 9, 2009
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