

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 52 (Delegate Hubbard)
Environmental Matters

**Vehicle Laws - Suspension or Revocation of Driver's License or Privilege to Drive
- Fee for Reinstatement**

This bill establishes new application fees for the reinstatement of suspended and revoked driver's licenses. The fee for reinstatement of a suspended license or driving privilege is \$50, or \$100 if the suspension was due to a conviction of specified alcohol- or drug-related offenses or a violation of an alcohol restriction. The fee for reinstatement of a revoked license or driving privilege is \$100, or \$150 if the revocation was due to a conviction of specified alcohol- or drug-related offenses or a violation of an alcohol restriction. The bill repeals the current requirement for the Motor Vehicle Administration (MVA) to establish the fees for reinstatement of a revoked license, which are now instead specified by the bill.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues increase significantly, by about \$3.1 million in FY 2013 and by about \$4.1 million annually beginning in FY 2014 due to the collection of new and increased reinstatement fees under the bill, under the set of assumptions discussed below. TTF expenditures may increase by about \$148,900 in FY 2013 for MVA to contract with outside vendors to complete computer reprogramming work, and MVA workloads also increase minimally for internal computer reprogramming.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: On filing an application for a new license or for reinstatement of the privilege to drive, any individual whose license or privilege to drive has been revoked must pay a fee established by MVA. If the applicant's license was revoked as a result of a conviction of specified alcohol- or drug-related offenses or a violation of an alcohol restriction on the license, the applicant must pay an additional fee established by MVA. Currently, MVA has established by regulation a fee of \$45 for reinstatement of a revoked license, except in cases involving specified alcohol- or drug-related offenses or violations of an alcohol restriction, in which case the fee is \$75.

MVA may suspend, revoke, or refuse to issue or renew a driver's license or the privilege to drive for, among other reasons: (1) being convicted of moving violations so often as to indicate an intent to disregard the traffic laws and the safety of other persons on the highways; (2) being an unfit, unsafe, or habitually reckless or negligent driver; (3) having permitted an unlawful or fraudulent use of a license, identification card, or a facsimile of a license or identification card; or (4) having used a license, identification card, or a facsimile of a license or identification card in an unlawful or fraudulent manner.

MVA maintains a point system designed to track the frequency and severity of moving violations and other vehicle-related convictions. Under this system 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 driver improvement program. MVA is required to suspend the license of an individual who has accumulated eight points and to revoke the license of an individual who has accumulated 12 points.

MVA may also suspend or revoke a driver's license for specified periods of time based on the conviction of a number of alcohol- and drug-related offenses. In addition, MVA may suspend the license of an individual who fails to attend a required driver improvement program or an alcohol education program. MVA may issue a license with various restrictions for those convicted of alcohol- or drug-related offenses.

State Revenues: According to MVA data, 128,497 drivers had their license or privilege to drive suspended in fiscal 2011, including 22,960 due to alcohol- or drug-related violations. In addition, 4,389 licenses or privileges to drive were reinstated after revocation in fiscal 2011. At this time, MVA has not been able to determine how many of these revocations were due to alcohol- or drug-related offenses.

Under the fees specified in the bill, TTF revenues increase significantly – by about \$3.1 million in fiscal 2013, which accounts for the bill's effective date, and by about \$4.1 million annually beginning in fiscal 2014. This increase includes about \$3.8 million in new suspension reinstatement fees annually and about \$285,000 from the increase in

higher revocation reinstatement fees. This estimate assumes that 50% of licenses that are suspended are reinstated and that 50% of the current reinstatements of revoked licenses are due to alcohol- or drug-related offenses. Finally, the estimate assumes that the number of suspensions, revocations, and reinstatements remains constant in future years. As the estimate is based on only one year of data and MVA assumptions about reinstatement rates, it could significantly overstate or understate the actual revenue increase to the extent that the number of reinstated licenses in future years differs.

State Expenditures: TTF expenditures increase by about \$148,900 in fiscal 2013 for MVA to contract with outside vendors for reprogramming of the MVA Web, kiosk software, and accounts receivable system. TTF expenditures may increase further to the extent that additional assistance is required for reprogramming of several additional systems; however, much of this work may be accomplished with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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