

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 506

(Senator Raskin, *et al.*)

Judicial Proceedings

Environmental Matters

Vehicle Laws - Provisional Driver's Licenses - Driver Education Requirements

This bill reduces the period of time, from nine months to 45 days, during which a learner's instructional permit holder age 25 or older must wait before taking a driver skills or road examination necessary to obtain a provisional driver's license. This waiting period is not reduced for a learner's instructional permit holder who has been convicted of, or granted probation before judgment for, a moving violation. Any learner's instructional permit holder age 25 or older must also complete at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction as well as at least 14 hours of specified driving practice and must submit a completed skills log book.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF), general fund, and special fund revenues increase, potentially significantly, due to the collection of various additional Motor Vehicle Administration (MVA) fees as a result of more adults obtaining driver's licenses under the bill's less stringent requirements than would otherwise occur. TTF expenditures may increase in FY 2013 for reprinting of MVA forms and brochures. MVA workloads may increase as additional learner's permit holders receive driver's licenses and for necessary computer reprogramming work.

Local Effect: Local highway user revenues increase from the distribution of additional vehicle-related fees into the Gasoline and Motor Vehicle Revenue Account. Expenditures are not affected.

Small Business Effect: Potential meaningful impact on small driver education schools to the extent that a greater number of adults enroll in driver education schools and obtain a full driver's license.

Analysis

Current Law: The holder of a learner's instructional permit is prohibited from taking a driver skills or road examination for a provisional license within nine months from the date of issuance of the learner's permit or from the date of conviction, or the granting of probation before judgment, for a moving violation. A learner's permit holder must also successfully complete an approved driver education program consisting of at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction, as well as at least 60 hours of driving practice (including 10 hours of nighttime driving) supervised by a licensed driver who is 21 or older and has been licensed for three years. A learner's permit holder also has to submit a completed skills log book with the signatures of supervising drivers.

Background: Chapter 483 of 1998 established the provisional driver's licensing system, which became effective on July 1, 1999. According to the National Conference of State Legislatures, all 50 states have now enacted some form of a graduated driver's license process, which includes a three-stage licensing system consisting of a learner's permit, an intermediate or provisional license, and a permanent license.

Chapter 453 of 2005 lengthened, from four months to six months, the waiting period before the holder of a learner's permit can take the driver skills and road examinations. Chapters 184 and 185 of 2009 lengthened this waiting period again from six months to nine months. Neither Act made a distinction between minor and adult learner's permit holders.

A 2003 report from the Abell Foundation found that, at the time, Maryland was the most expensive state for those seeking to obtain a driver's license, it was among the most restrictive states for obtaining a driver's license, and there were significant barriers to obtaining a driver's license for low-income individuals. In addition, the report found that Maryland was the only state to require adult applicants for a driver's license to attend a private driver's school.

In response to a request made by the General Assembly during the 2011 legislative session, MVA studied the impact of subjecting adults to the graduated driver's license process and found that allowing separate licensing requirements for individuals age 25 or older could still maintain the integrity of Maryland's graduated driver's license while also acknowledging the additional difficulties they face in becoming licensed as well as their need for the ability to drive. MVA found that the age of 25 was important for safety reasons, which reflects actuarial data used by automobile insurance companies.

State Revenues: TTF, general fund, and special fund revenues increase, potentially significantly, due to the collection of various fees as more individuals apply for learner's instructional permits, become eligible for provisional and full driver's licenses following completion of driver education programs, and purchase and maintain registered vehicles. The extent of the revenue increase is likely to be greatest in fiscal 2013 and 2014 as a large number of current adults without learner's instructional permits or driver's licenses attempt to obtain one after the passage of the bill, and due to the immediate qualification of a small number of adult learner's instructional permit holders whose waiting period to obtain a license has already exceeded 45 days.

Legislative Services advises that a reliable estimate of the increased collection of various vehicle-related fees by MVA cannot be made at this time due to numerous uncertainties. For example, although roughly 30,000 adult learner's instructional permit applicants did not complete a driver education program in fiscal 2010, it is unknown how many individuals did not do so because the driver education program was too onerous, as compared to other reasons. Further, it is unknown which vehicle-related fees will be paid by the additional individuals who complete a driver education program under the bill but would not otherwise do so. However, *for illustrative purposes only*, if 2,000 additional adult learner's instructional permit holders complete a driver education program under the bill, and the average new driver's license holder pays an average of \$200 annually in vehicle-related fees, then TTF, general fund, and special fund revenues increase by \$400,000 on an annual basis.

State Expenditures: TTF expenditures may increase, likely by less than \$100,000 in fiscal 2013 for MVA to revise and reprint various materials to reflect the bill's changes. Forms, brochures, handbooks, and driver education materials will need to be updated to reflect the bill's changes. Reprogramming work will need to be undertaken, but it is assumed that this can be handled with existing budgeted resources.

Additional Information

Prior Introductions: SB 361 of 2011, a similar bill, passed the Senate and was referred to an interim study by House Environmental Matters Committee. Its cross file, HB 1185, received an unfavorable report from the House Environmental Matters Committee.

Cross File: HB 292 (Delegate Glenn, *et al.*) - Environmental Matters.

Information Source(s): Judiciary (Administrative Office of the Courts), Maryland Department of Transportation, Abell Foundation, National Conference of State Legislatures, Department of Legislative Services

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