

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1029 (Delegate Solomon, *et al.*)
 Environment and Transportation and
 Appropriations

Public Safety - Lights On for Maryland Program - Establishment

This bill establishes the Lights On for Maryland Program to provide funding to law enforcement agencies for the distribution to a driver, at a traffic stop for an equipment violation involving a headlight, taillight, brake light, or turn signal, of a voucher for vehicle repair for redemption at a qualified auto repair location. The Department of State Police (DSP) must participate in the program. The bill establishes requirements for the Executive Director of the Governor’s Office of Crime Prevention, Youth, and Victim Services (GOCPYVS) and provisions governing the distribution of vouchers. The bill also establishes the Lights On for Maryland Program Fund administered by the Executive Director of GOCPYVS to finance matching grants to law enforcement agencies that participate in the program. For fiscal 2025 and each fiscal year thereafter, the Governor must include in the budget bill an appropriation of \$350,000 to the fund.

Fiscal Summary

State Effect: General fund expenditures increase by \$204,600 in FY 2024 for administrative costs; future year expenditures reflect minimum ongoing administrative costs and the bill’s mandated appropriation. Special fund revenues increase by \$350,000 annually beginning in FY 2025 due to the mandated appropriation to the new fund; special fund expenditures increase correspondingly for grant awards. **This bill establishes a mandated appropriation beginning in FY 2025.**

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	\$0	\$350,000	\$350,000	\$350,000	\$350,000
GF Expenditure	\$204,600	\$591,100	\$601,800	\$613,100	\$627,100
SF Expenditure	\$0	\$350,000	\$350,000	\$350,000	\$350,000
Net Effect	(\$204,600)	(\$591,100)	(\$601,800)	(\$613,100)	(\$627,100)

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

Local Effect: Local grant revenues increase beginning in FY 2025; local expenditures increase as law enforcement agencies provide matching funds and use the matching grants to distribute vouchers under the Lights On for Maryland Program.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Lights On for Maryland Program

Distribution of Vouchers: A law enforcement officer of a participating law enforcement agency may distribute to the driver, at a traffic stop for an equipment violation involving a defective headlight, taillight, brake light, or turn signal, a voucher to cover the costs of repairing the defective headlight, taillight, brake light, or turn signal that resulted in the traffic stop for redemption at a qualified auto repair location.

A law enforcement agency that participates in the program may develop criteria for issuing a voucher under the program. A voucher distributed under the program may be only (1) redeemable for the costs of repairing the defective headlight, taillight, brake light, or turn signal that resulted in the traffic stop; (2) in an amount not exceeding \$250; and (3) redeemable at a qualified auto repair location.

Department of State Police Participation: DSP must participate in the program and may develop criteria for issuing a voucher under the program. In the first year of participation in the program, DSP must (1) implement the program in at least three geographically diverse barracks in the State and (2) record the number of vouchers that were distributed, redeemed, and issued in conjunction with a traffic citation. After the first year of participation, DSP must implement the program in all State Police barracks.

Development of Guidelines, Standards, and Procedures: The Executive Director of GOCPYVS must (1) adopt guidelines and develop standards and procedures for vouchers distributed under the program; (2) provide training to local law enforcement agencies on the guidelines, standards, and procedures; and (3) recruit auto repair locations throughout the State to participate in the program.

Select Definitions: “Law enforcement agency” means a law enforcement agency of the State, a county, or a municipality; it includes a county sheriff’s department. “Qualified auto repair location” means an auto repair shop that has partnered with DSP to accept program vouchers. “Traffic stop” means any instance when a law enforcement officer stops the

driver of a motor vehicle and detains the driver for any period of time for a violation of the Maryland Vehicle Law.

Lights On for Maryland Program Fund

The fund is a special, nonlapsing fund administered by the Executive Director of GOCPYVS. The fund consists of (1) money appropriated in the State budget to the fund; (2) interest earnings; and (3) any other money from any other source accepted for the benefit of the fund. The fund may be used only to provide matching grants to law enforcement agencies to implement the program. A law enforcement agency awarded a matching grant must provide at least a 100% match.

The Executive Director of GOCPYVS must establish procedures for law enforcement agencies to apply for a matching grant from the fund.

Current Law: A police officer who observes that a vehicle registered in Maryland is being operated without required equipment must stop the driver and issue a safety equipment repair order. Driving on a highway without the required minimum equipment is a misdemeanor, subject to a maximum fine of \$500.

A person who receives a safety equipment repair order must have the problem repaired within 10 days and submit a certification of the repair to the Automotive Safety Enforcement Division of DSP within 30 days.

State Fiscal Effect:

Mandated Appropriation for the Lights On for Maryland Program Fund

General fund expenditures increase by \$350,000 annually beginning in fiscal 2025 due to the mandated appropriation for the Lights On for Maryland Program Fund. Special fund revenues to and expenditures from the fund increase correspondingly, reflecting receipt of the mandated funding and the disbursement of matching grants to law enforcement agencies.

Governor's Office of Crime Prevention, Youth, and Victim Services – Administrative Expenditures

General fund administrative expenditures for GOCPYVS increase by \$130,899 in fiscal 2024, which accounts for the bill's October 1, 2023 effective date. This estimate reflects the cost of hiring one program administrator and one training specialist to implement the program and administer the fund. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Even though the bill's mandated

appropriation does not begin until fiscal 2025, this analysis assumes that the staff are hired in fiscal 2024 to (1) develop guidelines, standards, and procedures; (2) begin training local law enforcement agencies; and (3) recruit auto repair locations to participate in the program.

Positions	2.0
Salaries and Fringe Benefits	\$116,081
Operating Expenses	<u>14,818</u>
Total FY 2024 GOCPYVS Expenditures	\$130,899

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

GOCPYVS advises that it needs to hire 16 employees to implement the bill (a combination of training specialists, auditors, investigators, administrative officers, analysts, and program managers) at an estimated cost of \$584,007 in fiscal 2024, increasing to \$1.7 million by fiscal 2028. The Department of Legislative Services agrees that the bill increases the workload of GOCPYVS and that additional staff are warranted but disagrees with the number of staff GOCPYVS needs. Under the bill, GOCPYVS is required to (1) adopt guidelines and develop standards and procedures for the distribution of vouchers; (2) provide training to local law enforcement agencies on the guidelines, standards, and procedures; (3) recruit auto repair locations to participate in the program; and (4) establish procedures for law enforcement agencies to apply for a matching grant from the fund. Several of the required activities do not need to be performed daily, and GOCPYVS can likely partner with participating law enforcement agencies to implement the program. To the extent that two additional employees are not sufficient to handle the increase in workload, GOCPYVS may request additional positions through the annual budget process.

Because the bill states that the fund may be used only to provide matching grants to law enforcement agencies to implement the program – and it does not explicitly authorize the fund to be used to cover administrative costs – additional general funds (beyond the mandated funding appropriated to the fund discussed above) are needed to cover the administrative costs incurred by GOCPYVS each year.

Department of State Police – Required Participation

General fund expenditures for DSP increase by \$73,682 in fiscal 2024, which accounts for the bill’s October 1, 2023 effective date. This estimate reflects the cost of hiring one administrator to implement the program within DSP. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Even though the mandated funding for the program does not begin until fiscal 2025, this analysis assumes

that the administrator is hired in fiscal 2024 to begin developing the program, work with GOCPYVS as needed, and partner with auto repair shops.

Position	1.0
Salary and Fringe Benefits	\$66,273
Operating Expenses	<u>7,409</u>
Total FY 2024 DSP Expenditures	\$73,682

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Future year estimates do not include any additional general fund expenditures incurred by DSP to provide matching funds in order to apply for a matching grant from the Lights On for Maryland Program Fund. Grant revenues for DSP increase beginning in fiscal 2025 to the extent the department is awarded a matching grant from the fund; expenditures increase correspondingly to provide vouchers under the program.

Other State Law Enforcement Agencies

Although other State law enforcement agencies are also eligible to apply for matching grants from the fund, the extent to which they will do so is unclear.

Local Fiscal Effect: Local government revenues increase to the extent that local law enforcement agencies are awarded matching grants through the program. Local government expenditures increase as local governments provide local matching funds and use the matching grants to provide vouchers under the program. It is assumed that local governments that apply for and receive matching grants can handle any related administrative responsibilities using existing resources.

Small Business Effect: The bill may have a meaningful impact on small business auto repair shops that choose to participate in the program. Participating auto repair shops may benefit to the extent they provide services under the program that otherwise would not have been performed.

Additional Comments: DSP advises that more than 50,000 safety equipment repair orders are issued statewide each year. At the bill's annual funding level of \$350,000, and with the required matching funds, only 2,800 vouchers can be provided each year at \$250 each.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City; Kent, Montgomery, and Worcester counties; towns of Bel Air and Leonardtown; Governor's Office of Crime Prevention, Youth, and Victim Services; Baltimore City Community College; University System of Maryland; Morgan State University; Department of Budget and Management; Department of General Services; Department of Natural Resources; Department of State Police; Department of Legislative Services

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