

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 30 (Delegate Arnick)
Commerce and Government Matters

Vehicle Laws - License Renewal Without Driving Test - Limitations

This bill provides that the Motor Vehicle Administration (MVA) may only renew an expired driver's license without requiring a driving test if the licensee has not been convicted of a moving violation for three years prior to the expiration date, or if the licensee can demonstrate good cause for waiving the driving test requirement.

Fiscal Summary

State Effect: Transportation Trust Fund expenditures could increase by \$139,600 in FY 1999, due to the October 1 effective date. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	\$0	0	0	0	0
SF Expenditures	\$139,600	180,400	186,800	193,400	200,400
Net Effect	(\$139,600)	(\$180,400)	(\$186,800)	(\$193,400)	(\$200,400)

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

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: Transportation Trust Fund expenditures could increase by an estimated \$139,596 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of 6.5 additional Driving License Examiner positions to administer

driving examinations. 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:

- approximately 70,000 expired licenses are renewed within 6 months of the expiration date each year;
- approximately 23,300 of the above licensees would have been convicted of a moving violation in the preceding three years;
- MVA will waive 10% of tests for good cause; and
- 21,000 additional driving tests will be administered under the bill.

Salaries and Fringe Benefits	\$130,252
One-time Start-up Expenses	5,073
Operating Expenses	<u>4,271</u>
Total FY 1999 State Expenditures	\$139,596

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

State Revenues: Currently, the MVA charges a \$20 fee to renew a driver's license up to 180 days after the expiration date. Under the provisions of the bill, MVA will continue to assess this fee, but does not have the authority to charge an additional fee to administer the driving test.

Information Source(s): Department of Transportation (Motor Vehicle Administration),
Department of Legislative Services

Fiscal Note History: First Reader - January 26, 1998

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