

Department of Legislative Services
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 515

(Delegate Shewell, *et al.*)

Judiciary

Vehicle Laws - Mandatory Use of Ignition Interlock System Program

This bill requires, rather than authorizes, the Motor Vehicle Administration (MVA) to establish an Ignition Interlock System Program, with a fee to cover program costs, and to establish minimum standards for all service providers. The bill requires, rather than permits, participation from persons who have been convicted of or granted probation before judgment (PBJ) for specified alcohol-related driving offenses. MVA must suspend the license of a person who violates the rules for participation in the Ignition Interlock System Program.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$1.4 million in FY 2011 for additional personnel and related expenses to monitor and process program participants. TTF revenues increase significantly from program fees charged to participants in the Ignition Interlock System Program, which must cover the cost of the program, and from fees for corrected licenses. Out-years assume a relatively stable caseload with increases due to lifetime participants, additional staff, annualization, and inflation. General fund revenues increase by \$290,800 in FY 2011 due to additional administrative hearings.

(\$ in millions)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
GF Revenue	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4
SF Revenue	\$1.4	\$2.0	\$2.2	\$2.2	\$2.4
SF Expenditure	\$1.4	\$2.0	\$2.2	\$2.2	\$2.4
Net Effect	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4

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

Local Effect: None.

Small Business Effect: Minimal. Vendors approved by MVA who install ignition interlock systems may receive additional income under the bill due to higher levels of participation.

Analysis

Bill Summary: MVA is required to establish a protocol for the program for all service providers. The bill alters the parameters under which persons are required to participate in the Ignition Interlock System Program.

A person *must* participate in the Ignition Interlock System Program if:

- the person is ordered to participate by a court;
- an alcohol restriction has been imposed on the driver's license due to a court order or the individual is younger than age 21 and has been convicted of driving while under the influence of alcohol or under the influence *per se*, while impaired by alcohol, or while impaired by drugs and/or drugs and alcohol; or
- the person is convicted of or granted PBJ for driving while under the influence of alcohol or under the influence *per se*, while impaired by alcohol, or while impaired by drugs and/or drugs and alcohol.

A notice of suspension or revocation sent to a person must include information about how the person can be required to participate in the program. For a person required to participate in the program, MVA must require the person to participate for one year for a first violation or longer if so ordered by a court or for the entire time that the person holds a Maryland driver's license for a second or subsequent violation. The person's driver's license must also have a restriction that prohibits the person from driving a motor vehicle that is not equipped with an ignition interlock device for the entire time of required participation in the program. Also, for those drivers who violate the program's requirements, MVA is required to suspend the driver's license in accordance with MVA regulations.

MVA must establish a fee for program participation that is sufficient to cover the program costs.

The bill also alters the parameters for those drivers authorized to participate in the Ignition Interlock System Program due to the commission of specified alcohol- and/or drug-related driving offenses. In addition to those who either refused to take a requested

test of blood or breath or whose test results indicated driving under the influence of alcohol or under the influence of alcohol *per se*, the bill also extends authorized participation to persons who are assessed 12 points for driving while impaired by a controlled dangerous substance.

Current Law: A person may not drive or attempt to drive any vehicle while:

- under the influence of alcohol or under the influence of alcohol *per se*;
- impaired by alcohol;
- impaired by drugs or a combination of drugs and alcohol; or
- impaired by a controlled dangerous substance.

With a conviction for an alcohol- and/or drug-related driving offense, a violator is subject to a range of penalties involving fines and imprisonment as well as suspension or revocation of the driver's license by MVA. A person convicted of driving under the influence or under the influence *per se* is subject to fines ranging from \$1,000 to \$3,000 and/or a maximum imprisonment term of one to three years. A repeat conviction within five years requires a mandatory minimum penalty of imprisonment from 5 to 10 days or community service from 30 to 60 days as well as a mandatory alcohol abuse assessment. A conviction for lesser included offenses subjects the violator to a fine of \$500 and/or imprisonment for up to two months. However, for repeat offenders, maximum prison terms increase to a year. If an offender is transporting a minor at the time of the alcohol- and/or drug-related driving offense, fines and sanctions increase.

MVA is authorized to establish an Ignition Interlock System Program for alcohol-impaired drivers and establish protocols for minimum standards for approved system providers.

A person may participate in the program if the person's driver's license is suspended or revoked for alcohol-related driving offenses or for the accumulation of points under specified provisions of the Maryland Vehicle Law that lead to license suspension or revocation for these offenses. Also, a person may participate if the person's driver's license has an alcohol restriction or if MVA modifies a suspension or issues a restricted license to the person. The suspension of the driver's license may be lessened or avoided if a driver is eligible for and participates in the program under several circumstances: (1) the driver refused to take a test for alcohol or drugs; (2) the driver took a test and the result was 0.15 blood alcohol content (BAC) or greater; or (3) the driver has a subsequent conviction for driving while under the influence of alcohol or under the influence *per se*. A person may participate if he/she is ordered to participate by a court.

A notice of suspension or revocation from MVA issued as a result of a conviction for an alcohol-related driving offense must include information about the program and the qualifications for admission. MVA is authorized to issue a restricted license to a person who participates in the program during the period that the driver's license is suspended. If the driver's license has been revoked for specified alcohol-related driving offenses or for the accumulation of points resulting from driving while under the influence of alcohol or under the influence of alcohol *per se*, MVA may reinstate the license and impose a period of suspension in lieu of the license revocation. MVA is also authorized to establish a fee for program participation. A person who is required to participate must be monitored by MVA and pay the fee required by MVA.

Background: According to the 2008 final report of the Maryland Task Force to Combat Driving Under the Influence of Drugs and Alcohol, the use of ignition interlock systems has been shown to lead to long-lasting changes in driver behavior and the reduction of recidivism. The task force advises that a minimum of six months of failure-free use is needed to significantly reduce recidivism. The task force reported that Michigan, Pennsylvania, Virginia, and West Virginia have extended required times for ignition interlock use for certain drunk driving violations and, when offenders are required to use ignition interlock systems, recidivism is reduced by 60% to 95%.

According to the National Conference of State Legislatures (NCSL), about 1.4 million drivers are arrested nationwide for alcohol impairment annually. About 146,000 ignition interlock devices are in use, a proportion of 10%. Forty-seven states and the District of Columbia authorize or mandate the use of an ignition interlock system to deter alcohol-impaired driving. The three states that do not authorize use of an ignition interlock system are Alabama, South Dakota, and Vermont. Judges in the jurisdictions with ignition interlock systems have the discretion to order installation as part of sentencing for convicted drunk drivers. Fewer than half of the states with ignition interlock mandate its use. In states where the use of ignition interlock is mandatory, it is usually required either for repeat offenders, or drivers with high blood alcohol content, and as a condition of probation, or in exchange for limited restoration of driving privileges.

Increasingly, however, states are requiring the use of ignition interlock devices for any standard drunk driving conviction (BAC of 0.08 or higher) – even for first offenses. In 2005, New Mexico became the first state in the country to enact legislation requiring the use of ignition interlock devices for all convicted drunk drivers, including first-time offenders. As of January 2010, 10 other states (Alaska, Arizona, Arkansas, Hawaii, Illinois, Louisiana, Nebraska, New York, Utah, and Washington) mandate the use of ignition interlock for any drunk driving conviction.

Contained in the proposed federal Surface Transportation Extension Act of 2009 (H.R. 3617 and S.1498, also known as the reauthorization of SAFETEA-LU) are provisions that would require states to enact and enforce ignition interlock laws or risk the loss of 1% to 5% of federal highway funds. For example, one provision requires states to impose use of an ignition interlock device for at least six months on a person convicted of the standard drunk driving offense. NCSL has estimated that the sanction of 5% of federal highway funds would cause Maryland to lose \$14.0 million. For all 50 states, a 5% sanction would mean a total loss of \$880.9 million. No state has mandated participation in an ignition interlock program absent a conviction for a drunk driving offense.

State Revenues: General fund revenues increase \$290,813 in fiscal 2011 and \$387,750 annually thereafter due to the fees paid to the Office of Administrative Hearings for hearings on the mandatory participation in the Ignition Interlock System Program required under the bill. MVA advises that about 20% of those subject to participation are likely to request an administrative hearing and pay the \$125 filing fee. MVA advises that 3,102 new participants are likely to pay the fee for the administrative hearing.

TTF revenues increase significantly in fiscal 2011 and in future years under the bill. MVA advises that, under current law, there are currently 8,200 ignition interlock participants and that about 6,000 participants join the program annually. In fiscal 2011, 15,510 new participants are added to the 6,000 participants entering the program under current law. The estimate is based on the following:

- 10,500 drivers granted PBJ for driving under the influence of alcohol, under the influence of alcohol *per se*, and while impaired by alcohol;
- 4,300 drivers convicted for the first time of one of the offenses mentioned above;
- 710 drivers convicted for a second, third, or subsequent time of one of the offenses mentioned above; and
- the number of additional drivers increases by 710 annually and these drivers are lifetime participants.

While the estimate assumes a stable caseload for new participants, the number of people subject to this bill will necessarily vary because some people will be required to participate for one year or longer and others will be required to participate for the entire time a Maryland driver's license is held – possibly a lifetime. Only limited information is available to determine which participants would be subject to one-year or multiple-year

participation requirements, so the projected impact does not take that variable into account. Also not addressed in this fiscal estimate is the impact of the program on future participants. Those people who successfully complete the program are projected to be less likely to be repeat offenders. In future years, if the program works as intended, the population subject to program participation may decrease. This could also reduce the need for some of the new personnel allocated to implement the bill's provisions.

The bill requires that MVA charge a fee to program participants to cover the cost of the program. MVA has not determined what fee would be charged, but it is likely that the fee would be charged to all 21,510 participants (6,000 current law participants and 15,510 new participants), not just the new participants captured by the bill. MVA advises that it is contemplating a \$53 fee for the program which would result in TTF revenues increasing by \$855,023 in fiscal 2011 and \$1,140,030 in the out-years, assuming a stable caseload and no change in the fee.

However, the bill requires that program costs be covered by the charge that MVA must assess. For fiscal 2011, Legislative Services projects that implementation would cost about \$1.4 million. Thus, MVA would have set the fee at about \$85 per participant to cover the projected costs in fiscal 2011 and to account for the October 1, 2010 effective date. In future years, the fee could range between \$65 and \$80; however, as the bill does not impose specific requirements regarding the charge, other than that the program costs be covered, MVA could vary the fee from year to year depending on the number of participants and the staffing and equipment required to administer the program. This estimate does not account for any current costs to administer the program, just the costs to expand it.

Drivers who have their licenses suspended can acquire new licenses only by paying for a corrected license, for which MVA charges a \$30 fee. The bill requires one year participation in the Ignition Interlock System Program for a first offense and lifetime participation for second and subsequent offenses. Revenues for corrected licenses do not accrue to TTF until the driver completes the program. Data is not available to reliably estimate what proportion of the 15,510 drivers subject to the bill would have to participate for one year, or multiple years, or would have otherwise had their licenses suspended or revoked, thereby potentially paying a renewal or reinstatement fee anyway. Even so, *by way of illustration*, if 15,510 drivers (those who receive PBJs and first-time offenders) paid \$30 for a corrected license fee after one year of participation in the Ignition Interlock System Program, TTF revenues would increase by about \$465,300 beginning in fiscal 2012 and continuing into the out-years.

State Expenditures:

Office of Administrative Hearings: It is anticipated that the Office of Administrative Hearings (OAH) will be able to handle any additional workload due to the bill with existing resources. In fiscal 2008, OAH disposed of 28,635 MVA administrative hearings. In fiscal 2009, OAH disposed of 26,056 MVA hearings. The additional 3,102 cases anticipated under this bill may further constrain OAH resources; however, Legislative Services still advises that the additional workload can be addressed with existing resources.

Motor Vehicle Administration: TTF expenditures increase by an estimated \$1,380,343 in fiscal 2011, accounting for the October 1 effective date. This estimate reflects the cost of hiring 21 customer service agents to monitor driver participation in the Ignition Interlock System Program and process driver records, field phone calls, and process correspondence. The penalty in the bill is administrative, and MVA has the primary responsibility for issuing the penalty and monitoring drivers who are subject to it. For this administrative penalty, MVA advises that one customer service agent who monitors program participants can manage a caseload of 1,025 drivers annually. A customer service agent who processes phone calls and correspondence can manage 2,733 cases annually. The estimate includes salaries, fringe benefits, one-time start-up costs, and other ongoing operating expenses.

Positions	21
Salaries and Fringe Benefits	\$807,300
Computer Programming	125,000
Related Operating Expenses	<u>448,043</u>
Total Fiscal 2011 State Expenditures	\$1,380,343

Future year expenditures reflect full salaries with 4.4% annual increases, 3% turnover, 1% annual increases in ongoing operating expenses, and a relatively stable caseload. In addition, the impact of lifetime participants creates the need for additional staff in fiscal 2013 and again in fiscal 2015.

MVA advises that about 20% of the new population of drivers is likely to request an administrative hearing. MVA pays \$150 for every administrative hearing. Accordingly, for the additional 3,102 administrative hearings that could occur under the bill, TTF expenditures are likely to increase by \$348,975 in fiscal 2011 and \$465,300 annually thereafter, assuming a stable caseload and no change in fees.

Computer programming modifications to the driver licensing system that are likely required by the bill could result in a one-time expenditure of \$125,000 in fiscal 2011 only.

Additional Information

Prior Introductions: A similar bill, SB 735 of 2009, passed the Senate, as amended, and was then referred to the House Rules and Executive Nominations Committee, where no further action was taken. Its nonidentical cross file, HB 1217, was heard by the House Judiciary Committee, but no further action was taken. Another similar bill, HB 126 of 2006, was heard by the House Judiciary Committee, then withdrawn.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of State Police, Maryland Department of Transportation, Governors Highway Safety Association, National Conference of State Legislatures, Department of Legislative Services

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