

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 925
Rules

(Senator West)

Licensing and Registration - Unpaid Fines or Failure to Appear - Penalties

This bill (1) expands the eligibility criteria for establishing a payment plan for unpaid traffic-related fines; (2) prohibits the Motor Vehicle Administration (MVA) from issuing, reissuing, or renewing a driver's license after a driver accumulates \$500 or more in outstanding traffic-related fines (rather than suspending a driver's license or driving privilege for the failure to pay within a certain time) and requires MVA to provide the driver with notice of the prohibition; (3) repeals the authority of MVA to suspend a driver's license or driving privileges for several nontraffic safety related violations; (4) repeals the authority of a court to issue a warrant for a failure to appear for a nonincarcerable traffic offense; (5) specifies that MVA may charge a single fee to the owner of a vehicle who is unable to renew or transfer the vehicle's registration due to outstanding parking fines and requires MVA to provide information of outstanding parking fines in a notice of renewal; and (6) makes numerous other conforming and technical changes. **The bill takes effect July 1, 2019, and retroactively applies to any driver's license or driving privilege actively suspended under a provision affected by the bill on that date.**

Fiscal Summary

State Effect: General fund expenditures increase significantly (by as much as \$1.5 million annually) beginning in FY 2020 for additional court personnel. General fund revenues are not anticipated to be materially affected. Transportation Trust Fund (TTF) expenditures increase in FY 2020 only for reprogramming. TTF revenues decrease significantly beginning in FY 2020 from foregone revenues.

Local Effect: To the extent additional installment plans are authorized, circuit court operations may be affected; local revenues decline if additional fines are unpaid.

Small Business Effect: None.

Analysis

Bill Summary/Current Law:

Installment Plans

Under current law, the District Court (or a circuit court) may authorize an individual installment plan agreement for a defendant whose driver's license or driving privilege may be (or is) suspended for failure to pay a fine for one or more traffic offenses, as specified. The bill expands this authorization to apply to *any* defendant who is unable to pay a fine for one or more traffic offenses.

Under current law, a defendant who is sentenced to pay one or more fines that total at least \$300 and certifies inability to pay the fine (or fines) may apply to the clerk of the court to make installment payments. The bill repeals the \$300 threshold and allows *any* defendant who is unable to pay to apply for an installment plan.

Under current law, the clerk of the court must promptly notify MVA by sending a copy of the installment payment agreement, if the driver's license or driving privilege of the defendant is currently suspended for failure to pay a fine for one or more traffic offenses to which the agreement applies. The bill requires the clerk of the court to promptly notify MVA if a defendant is currently prevented from having his or her driver's license or permit issued, reissued, or renewed for any reason.

Under current law, if a defendant's application for installment payments is granted, MVA may not suspend (or continue to suspend) the driver's license or driving privileges of the defendant for the violations specified in the installment plan agreement unless the defendant subsequently fails to make an installment payment. Instead of prohibiting the suspension (or continued suspension) of a license or driving privileges once a person enters into an installment plan, the bill requires MVA to appropriately renew, reissue, or issue the driver's license or permit of the defendant if an installment plan is approved.

Suspension of License/Registration on Nonpayment of Judgment

Except as otherwise specified, MVA is required under current law to suspend (1) the license to drive of a judgment debtor and (2) the registration of all vehicles owned by the judgment debtor upon receipt of a certified copy of a judgment and a certificate of facts. The bill repeals this requirement.

Dispensing Motor Fuel into a Dirt Bike

Under current law, if a person is convicted of dispensing motor fuel into a dirt bike from a retail pump at a service station in Baltimore City, the court must notify MVA of the conviction. Upon receipt of the notice, MVA *may* suspend the person's driver's license for up to 30 days for a first violation and *must* suspend the person's driver's license for 30 days for a second or subsequent violation. The bill repeals these requirements.

Issuance and Contents of Traffic Citations

The bill modifies the required contents of traffic citations such that a citation issued to a person must contain a notice specifying that a person may comply by entering into a payment plan pursuant to the bill's requirements. The notice must also specify that, if a person fails to comply within 30 days, the person's driver's license may not be issued, reissued, or renewed.

Compliance with Traffic Citations and Powers of the Court of Noncompliance

Under current law, if a person fails to properly comply with a traffic citation, the District Court or a circuit court may (among other actions) notify MVA of the person's noncompliance after five days. The bill requires the court to include the monetary amount of the outstanding fine in this notice. Should the District Court or a circuit court notify MVA of noncompliance in the event that a person accumulates fines totaling \$500 or more, MVA has to notify the person that it may not issue, reissue, or renew the person's driver's license until the person enters into a repayment plan (pursuant to the bill's authorization) or otherwise satisfies existing requirements. As a result, the bill also repeals the existing authorization to suspend the driving privileges of a person and instead authorizes MVA to not issue, reissue, or renew the person's license.

The bill establishes similar requirements for suspending a person's driver's license.

Effect of Parking Violation on Vehicle Registration

Under the bill, MVA may not register or transfer the registration of any vehicle involved in a specified violation if (1) a person accumulates \$500 or more in outstanding fines *and* has not entered into a payment plan as authorized (or otherwise satisfied the fine) and (2) MVA is properly notified.

An owner of a vehicle whose registration is suspended must pay a single fee per vehicle registration for the rescission of the suspension or denial before the vehicle may be renewed. MVA may not charge a fee to an owner whose registration was not suspended or

denied registration. In addition, MVA must notify the owner of a motor vehicle of any outstanding restrictions placed on the registration of the vehicle in a renewal notice.

State Fiscal Effect: The Judiciary anticipates a significant operational and fiscal impact on the courts under the bill. More specifically, additional staffing is likely necessary to accommodate the proposed changes to court procedures and to manually track citations in some cases. The Judiciary notes that the creation of payment plans across the State is complicated by the need to monitor and process plans across multiple case management systems. In fiscal 2018, over 1 million traffic citations were filed with the District Court, 786,000 of which were payable citations. Under the bill, the Judiciary notes that an individual with multiple violations could apply for an individual installment plan or multiple installment plans, thus requiring additional administrative time.

Based on these factors, the Judiciary advises it may need to hire a significant number of additional staff under the bill for both the District Court and the circuit courts. In fiscal 2020, general fund expenditures may increase by as much as \$1.5 million in order to hire the additional personnel needed as a result of the bill.

MVA advises that reprogramming changes are necessary in fiscal 2020 in order to implement the bill. In addition, because the bill raises the flagging threshold to \$500, MVA anticipates a significant decrease in TTF revenues. MVA notes that it does not receive information on the amount of a person's debt; however, MVA assumes that many flagged individuals do not meet the threshold established under the bill. In fiscal 2018, MVA advises that it collected \$13.2 million in flag fee revenues. Presumably, a large portion of that amount may no longer be collected under the bill.

In addition, the bill prohibits MVA from suspending vehicle registrations and licenses in multiple circumstances. Thus, TTF revenues may further decrease from fewer reinstatement fees.

However, because the bill applies retroactively, revenues are likely more significantly affected in fiscal 2020 than in subsequent years. It is unclear how this retroactive provision would be handled by the Judiciary and MVA.

Local Fiscal Effect: The number of additional installment plans that may be entered into under the bill is not known. However, if a significant influx of requests occurs as a result of the bill, circuit court operations may be affected. Likewise, to the extent that more individuals enter into installment plans for citations that are affected by the bill, local revenues may be delayed. Local revenues may also be foregone entirely if the removal of existing enforcement mechanisms incentivizes nonpayment of citation fines.

Additional Information

Prior Introductions: None.

Cross File: HB 1267 (Delegates Lierman and Wells) - Environment and Transportation.

Information Source(s): Baltimore City; Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Department of Legislative Services

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md/ljm

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