

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 655
Judiciary

(Delegate Boyce)

Driving Without Required Security - Repeal of Incarceration Penalties

This bill repeals the possibility of imprisonment for certain offenses related to driving without the required security (*i.e.*, insurance).

Fiscal Summary

State Effect: General fund revenues increase, potentially significantly, as discussed below. The bill likely results in operational efficiencies, and potentially cost savings, due to fewer court appearances and elimination of imprisonment as a penalty.

Local Effect: The bill likely results in operational efficiencies, and potentially cost savings, due to fewer court appearances and elimination of imprisonment as a penalty. Revenues are not affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: A person is prohibited from (1) knowingly driving an uninsured vehicle or (2) in the case of a vehicle owner, knowingly permitting another person to drive an uninsured vehicle.

A person convicted of either offense is subject to imprisonment for up to one year and/or a fine of up to \$1,000 for an initial violation. A person convicted of a second or subsequent violation is subject to imprisonment for up to two years and/or a fine of up to \$1,000. A person cited for either offense must appear in court and may not prepay the fine. Further, if convicted, five points are assessed against the individual's driver's license.

State Revenues: The number of violations and guilty dispositions for each offense addressed by the bill is shown in **Exhibit 1**. In fiscal 2021, more than 14,000 citations were issued for these offenses. However, the number of guilty dispositions was very low (less than 1%). Under the bill, penalties for either of the offenses become prepayable. (The Judiciary treats violations that carry the possibility of prison time as must-appear offenses; by eliminating the possibility of imprisonment, the Judiciary advises that the offenses under the bill become prepayable).

Exhibit 1
Citation and Conviction Data for the Violations Addressed by the Bill
Fiscal 2021

Charge	<u>Violations</u>	<u>Guilty Dispositions</u>
Person knowingly driving uninsured vehicle	14,044	114
Owner knowingly permitting another person to drive uninsured vehicle	132	0
Total	14,176	114

Source: Judiciary (Administrative Office of the Courts); Department of Legislative Services

Based on data for other traffic offenses, the Department of Legislative Services (DLS) assumes that most citations are prepaid under the bill rather than contested in court. Therefore, while the bill does not alter the maximum monetary penalty for either offense, many more individuals are likely to pay a fine due to the prepayment option. As a result, general fund revenues likely increase under the bill.

The exact impact of the bill’s changes on general fund revenues cannot be determined without additional data (*e.g.*, the number of individuals who choose to prepay citations under the bill, the amount of the prepayment, the amount of any fines assessed after a court appearance, *etc.*). Moreover, the Judiciary does not track average fine amounts paid by individuals who are currently found guilty for these offenses; therefore, the overall amount of revenues received from these violations under current law is unknown.

However, *for illustrative purposes only*, assuming citation levels remain relatively constant in future years, general fund revenues may increase by as much as a few million dollars annually based on the following assumptions:

- the vast majority of individuals (about 90%) cited for the relevant offenses choose to prepay, while only a small portion (10%) elect to stand trial;
- the prepayment penalty is set at about one-third of the statutory maximum (*i.e.*, about \$330);
- as many as one-half of the individuals who elect to stand trial are found guilty; and
- the average monetary penalty assessed after a trial conviction remains unchanged.

To the extent the portion of individuals who choose to prepay differs from the above estimate, general fund revenues may be less significantly affected. Likewise, other factors (*e.g.*, whether the average monetary fine assessed after a trial conviction changes, the portion of trial convictions) may further affect the above estimate.

State/Local Expenditures: Given the expected reduction in the number of trials (due to more individuals likely choosing to prepay), DLS advises that the bill has operational, and possibly fiscal, impacts on State and local law enforcement agencies. Relevant factors that may result in cost savings include a reduction in the need to coordinate schedules for officers required to appear in court for trial, less need for additional coverage in the field for officers who have to attend court, and a reduction in overtime pay for officers due to fewer court appearances under the bill. The bill likely results in operational efficiencies for the District Court as well.

General fund expenditures may decrease minimally beginning in fiscal 2023 due to people no longer being committed to State correctional facilities for convictions in Baltimore City. The number of people currently imprisoned for the violations addressed by the bill cannot be determined but is assumed to be minimal. Generally, persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to a local detention facility. The Baltimore Pretrial Complex, a State-operated facility, is used primarily for pretrial detentions.

Likewise, local expenditures may decrease minimally as a result of the bill's removal of incarceration penalties. Counties pay the full cost of incarceration for people in their facilities for the first 12 months of the sentence. Per diem operating costs of local detention facilities have ranged from approximately \$90 to \$300 per inmate in recent years.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Commission on Criminal Sentencing Policy; Judiciary (Administrative Office of the Courts); Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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km/ljm

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