

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1296 (Delegate Jalisi)
Environment and Transportation

Motor Vehicles - Driver's License and Insurance Offenses - Penalties

This bill reduces the maximum penalty to \$50 (generally from \$1,000) for offenses related to driving without the required security (essentially insurance coverage) as well as offenses related to driving while an individual's privilege to drive is canceled, suspended, refused, or revoked. In addition, the bill repeals the possibility of imprisonment for any of the offenses.

Fiscal Summary

State Effect: General fund revenues likely increase by an indeterminate amount, 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

Bill Summary/Current Law: The bill's changes to penalty provisions are shown in Exhibit 1.

Exhibit 1
Fine and Prison Term Changes for Violations Affected by the Bill

<u>Violation</u>	<u>Maximum Penalty</u>		<u>Maximum Prison Term*</u>	
	<u>Current Law</u>	<u>The Bill</u>	<u>Current Law*</u>	<u>The Bill</u>
Person driving motor vehicle on a highway or public use property on refused license or privilege	\$1,000	\$50	1 year	None
Person driving motor vehicle on a highway or public use property on canceled license or privilege	1,000	50	1 year	None
Person driving motor vehicle on a highway or public use property on suspended license or privilege	1,000	50	1 year	None
Person driving motor vehicle on a highway or public use property on revoked license or privilege	1,000	50	1 year	None
Person driving motor vehicle on a highway or public use property on canceled out-of-state license	1,000	50	1 year	None
Person driving motor vehicle on a highway or public use property on suspended out-of-state license	1,000	50	1 year	None
Person driving motor vehicle on a highway or public use property on revoked out-of-state license	1,000	50	1 year	None
Person driving motor vehicle while license suspended under specified provisions of State law**	500	50	None	None
Person driving motor vehicle while license suspended in another state for failure to appear, failure to pay fine**	500	50	None	None
Person knowingly driving uninsured vehicle	1,000	50	1 year	None
Owner knowingly permitting another person to drive uninsured vehicle	1,000	50	1 year	None

*Maximum prison term shown is for an initial violation under current law; for a second or subsequent offense under current law, the maximum possible prison term increases to two years (for all above offenses except for those where “none” is indicated).

**A person charged with these offenses must continue to appear in court under the bill.

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

State Revenues: The bill reduces the penalties for numerous violations related to driving with a canceled, suspended, refused, or revoked license as well as penalties for driving without the required security. The number of violations (and guilty dispositions) for each offense in fiscal 2021 is shown in **Exhibit 2**. While more than 60,000 citations were issued for the offenses affected by the bill, the number of guilty dispositions was relatively low (only about 3%).

Exhibit 2
Citation and Conviction Data for the Violations Addressed by the Bill
Fiscal 2021

	<u>Violations</u>	<u>Guilty Dispositions</u>
Person driving motor vehicle on a highway or public use property on refused license or privilege	11	0
Person driving motor vehicle on a highway or public use property on canceled license or privilege	9	0
Person driving motor vehicle on a highway or public use property on suspended license or privilege	26,124	706
Person driving motor vehicle on a highway or public use property on revoked license or privilege	5,642	253
Person driving motor vehicle on a highway or public use property on canceled out-of-state license	19	0
Person driving motor vehicle on a highway or public use property on suspended out-of-state license	4,825	149
Person driving motor vehicle on a highway or public use property on revoked out-of-state license	1,221	27
Person driving motor vehicle while license suspended under specified provisions of State law	13,593	556
Person driving motor vehicle while license suspended in another state for failure to appear, failure to pay fine	176	5
Person knowingly driving uninsured vehicle	8,341	81
Owner knowingly permitting another person to drive uninsured vehicle	89	1
Total	60,050	1,778

Note: The numbers shown above are affected by the COVID-19 pandemic and are not necessarily representative of a typical year.

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

Under the bill, penalties for many of the above citations 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 certain offenses under the bill will become prepayable.

Based on data for other traffic offenses, the Department of Legislative Services (DLS) assumes that most citations will be prepaid under the bill rather than contested in court. Therefore, while the bill *reduces* the maximum fine for the offenses in question, many more individuals are likely to pay a fine. 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.*). 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. Nevertheless, this analysis assumes that, under current law, approximately one-half of the maximum fine revenue payable for all guilty dispositions is collected – just under \$750,000.

For illustrative purposes only, assuming each individual who commits a violation and is able to prepay under the bill does so – and that the District Court sets the prepayment penalty at \$50 (*i.e.*, the maximum) – then general fund revenues could increase by as much as \$1.6 million annually. This illustrative estimate also accounts for those who must continue to appear in court and are found guilty (661 individuals) paying the maximum \$50 fine under the bill. However, if the share of prepayments decreases (to 75% of eligible individuals), then the impact on general fund revenues is less (about a \$1.0 million increase annually).

State and Local Expenditures: Given the expected reduction in the number of trials for traffic offenses (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 Comments: Most violators are expected to prepay under the bill due to the significantly lower maximum fine and, for most offenses, no longer needing to appear in court. As the majority of individuals cited already have a suspended license, this analysis assumes there is only a negligible effect related to points assessment. Most offenses require assessment of 12 points on conviction of a violation. Those offenses that still require a court appearance only carry an assessment of 3 points, and the insurance offenses carry an assessment of 5 points.

Additional Information

Prior Introductions: HB 699 of 2021 received a hearing in the House Environment and Transportation Committee, but no further action was taken.

Designated Cross File: None.

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

Fiscal Note History: First Reader - March 9, 2022
fnu2/ljm

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