

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 599

(Senator Guzzone)

Judicial Proceedings

Environment and Transportation

Vehicle Laws – Driver’s Licenses – Driver Skills Examinations

This bill authorizes the Motor Vehicle Administration (MVA) to establish a pilot program in Howard and Montgomery counties to allow a licensed drivers’ school to administer the driver skills examination for certain classes of driver’s licenses. The bill further establishes, as part of the pilot program, various standards and requirements for both driving schools and individuals administering the driver skills examination. A participating school may administer the driving skills examination only if, among other requirements, it has entered into a memorandum of understanding (MOU) with MVA that has not been terminated by either party. **The bill terminates September 30, 2027.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase beginning in FY 2023 for additional compliance personnel and reprogramming changes, as discussed below, to the extent MVA exercises the authority to enter into MOUs with drivers’ schools in Howard and Montgomery counties. Revenues are likely not materially affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Qualifications for Participating Drivers’ Schools

A drivers’ school participating in the pilot program may administer the driver skills examination only if the school:

- is licensed as required by State law;
- has been licensed and in operation for at least five years before the date of application for the authorization to administer the driver skills examination;
- is authorized to teach the instructor certification program required by one specified section of State law (and any other course MVA considers necessary);
- has an owner or employee with at least two years of experience in administering driver skills examinations who will supervise the program;
- files with MVA a surety bond, as specified, in a form approved by MVA;
- has a facility capable of testing the same skills as are tested during driver skills examinations at an MVA facility; and
- administers the examination using a method MVA is authorized to use.

Qualifications for Instructors

A driver skills examination may be administered at an authorized school only if it is administered by an individual approved by MVA.

MVA may approve an individual to administer a driver skills examination if the individual submits an application to MVA showing the individual meets specified requirements (*e.g.*, is at least 21 years old, possesses the appropriate license type, *etc.*).

MVA must rescind its approval for an individual to administer driver skills examinations if at any time (1) the individual's driver's license is suspended, revoked, or canceled; (2) more than six points are assessed against the individual; or (3) the individual is convicted of certain violations related to driving while under the influence.

Current Law: MVA is required to, in consultation with the Maryland State Department of Education, adopt and enforce regulations to implement a standardized driver education program conducted by driver education schools. The regulations include curriculum, equipment, and facility standards for classroom, laboratory, and on-road instruction phases, as well as minimum student performance standards for an approved driver education program consisting of at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction.

The noncommercial driver's license skills test consists of:

- maneuvers performed on a test course;
- in-traffic driving;
- any examination designed to determine driving skills in a simulated or computer-assisted environment; or
- any combination of the above tests.

Before a skills test, a Type I (Initial License Issuance) learner's permit holder must submit to MVA a completed and signed skills log in the appropriate format containing a certification page as described in regulations.

MVA may require appointment scheduling for skills tests.

MVA may suspend, revoke, or refuse to renew a license for a drivers' school or driving instructor or may impose an administrative fine of up to \$1,000 for each violation of the portion of the Maryland Vehicle Law pertaining to drivers' schools and driving instructors. MVA may also refuse to grant a license upon any of several specified findings regarding the applicant by MVA.

State Expenditures: MVA advises that the bill has a potentially significant operational and fiscal impact on the agency to the extent it enters into MOUs with drivers' schools to administer driver skills tests in Howard and Montgomery counties. If it does so, MVA must ensure that any approved drivers' school is appropriately administering the driver skills examination. This analysis assumes implementation of the authorization; therefore, TTF expenditures increase beginning in fiscal 2023 for additional personnel to monitor compliance. TTF expenditures also likely increase for reprogramming changes in fiscal 2023 only.

MVA administers approximately 163,300 driver skills tests annually, and about 72,100 people annually attend a Maryland drivers' school and complete the required training. MVA further advises there are approximately 373 drivers' school branches in Maryland. In Montgomery County, there are 58 approved schools; in Howard County, there are 26 approved schools. Thus, in total, 84 schools may qualify to participate in the pilot program authorized to be established by the bill – which represents approximately 23% of all drivers' school branches in Maryland.

Maryland drivers' schools must use the approved driver education curriculum that MVA provides in order to ensure every new driver learns the same information (regardless of which drivers' school they attend). For this purpose, MVA already has a dedicated staff of inspectors that audit drivers' schools for compliance. However, because the scope of activities that must be audited is expected to increase under the bill, the number of inspectors likely must be increased in order to ensure each school is appropriately administering the driver skills examination.

Although an exact estimate cannot be made at this time due to uncertainty regarding the number of schools that may be interested in participating in the pilot program, *for illustrative purposes only*, TTF expenditures increase by \$76,896 in fiscal 2023 and by about \$96,500 in subsequent years should MVA hire an additional compliance inspector to monitor schools participating in the pilot program. As the authorization under the bill

terminates after five years, any additional staff are assumed to be contractual. Additionally, MVA anticipates reprogramming costs totaling approximately \$99,450 in fiscal 2023 only.

To the extent more schools participate than anticipated, MVA may need to hire additional staff. Conversely, if significantly fewer schools participate in the program, the need for additional compliance personnel may be lessened.

The bill does not diminish the need for driver's license agents at MVA branch offices across the State to complete skills tests not handled by drivers' schools; also driving courses still need to be maintained. Thus, these additional costs are not offset by savings. Even so, employees may be redirected when testing is not being done, which may result in efficiencies.

Any ongoing costs resulting from the bill are assumed to terminate in fiscal 2028.

Small Business Effect: Any small business drivers' schools in Montgomery or Howard counties that participate in the pilot program are likely meaningfully affected, as they must meet any requirements set by MVA to participate in the program and be subject to compliance audits. Such schools may also see a significant increase in demand for their services depending on the number of individuals who choose to complete the test with a drivers' school, rather than MVA. Although the bill does not specify whether participating drivers' schools may charge a fee for the service, this analysis assumes that MVA authorizes schools to charge for the service through regulation. To the extent they are unable to do so, fewer schools may be willing to participate in the pilot program.

Additional Comments: MVA advises that, although the bill requires drivers' schools to be authorized to teach the instructor certification program under § 15-803 of the Transportation Article, this provision of State law applies only to one of the four types of driver skills examinations addressed by the bill. Thus, the pilot program under the bill may not be able to be fully effectuated. Nevertheless, the bill does also specify that drivers' schools must be authorized to teach any other course MVA considers necessary.

Additional Information

Prior Introductions: SB 879 of 2021, a similar bill, received a hearing in the Senate Judicial Proceedings Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History:
km/ljm

First Reader - February 22, 2022

Third Reader - March 29, 2022

Revised - Amendment(s) - March 29, 2022

Revised - Updated Information - March 29, 2022

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