

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 675

(Senators Guzzone and Bailey)

Judicial Proceedings

Howard County and St. Mary's County - Driver's Licenses - Driver Skills Examinations

This bill authorizes the Motor Vehicle Administration (MVA) to establish a pilot program in Howard and St. Mary's 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 drivers' schools and individuals administering the driver skills examination. A participating school may administer the driver 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, 2028.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase beginning in FY 2024 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 St. Mary's 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;
- administers the examination using a method MVA is authorized to use; and
- has entered into an MOU with MVA that has not been terminated by either party.

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 that the individual meets specified requirements (*e.g.*, is at least age 21, 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 driver 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 St. Mary's 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 2024 for additional personnel to monitor compliance. TTF expenditures also likely increase for reprogramming changes in fiscal 2024 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. There are approximately 350 drivers' school branches in Maryland. In Howard County, there are 7 primary drivers' schools (26 branch locations); in St. Mary's County, there are 4 primary drivers' schools (4 branch locations).

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 \$62,626 in fiscal 2024, with costs increasing to \$79,415 by fiscal 2028, should MVA hire one 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, and there are no costs after the first quarter of fiscal 2029.

To the extent more schools participate than anticipated, MVA may need to hire additional staff. Conversely, if significantly fewer schools participate in the program, there may be no need for additional compliance personnel.

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, the additional costs incurred by MVA under the bill are not offset by any savings. Even so, employees may be redirected when testing is not being done, which may result in efficiencies.

Small Business Effect: Any small business drivers' schools in St. Mary's 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: Similar legislation has been introduced within the last three years. See SB 599 of 2022 and SB 879 of 2021.

Designated Cross File: None.

Information Source(s): St. Mary's County; Maryland Department of Transportation; Department of Legislative Services

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rh/lgc

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510