

# SENATE BILL 777

R3, R4, Q3  
HB 1336/13 – ENV

4r2903  
CF 4r2252

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By: **Senators Montgomery and Rosapepe**  
Introduced and read first time: January 31, 2014  
Assigned to: Budget and Taxation and Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Driver's Education – Income Tax Credit – Assessment of Fees for Driving**  
3 **Offenses**

4 FOR the purpose of allowing an individual to claim a credit against the State income  
5 tax for certain driver education costs paid by the individual for a child,  
6 stepchild, or legal ward who receives free meals at school; providing for the  
7 amount of the credit; requiring the Motor Vehicle Administration to assess  
8 certain fees on certain licensees convicted of certain driving offenses;  
9 establishing procedures for payment of certain fees; authorizing the  
10 Administration to suspend the driver's license of an individual who fails to pay  
11 certain fees; authorizing an individual whose driver's license is suspended to  
12 request a hearing on a certain issue; establishing the Driver's Education Fund  
13 as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the  
14 Administration to administer the Fund; requiring the State Treasurer to hold  
15 the Fund and the Comptroller to account for the Fund; specifying the contents  
16 of the Fund; specifying the purpose for which the Fund may be used; providing  
17 for the application of this Act; altering a certain definition; defining certain  
18 terms; and generally relating to an income tax credit for driver education costs  
19 to be subsidized by certain fees on individuals convicted of certain driving  
20 offenses.

21 BY adding to  
22 Article – Tax – General  
23 Section 10–736  
24 Annotated Code of Maryland  
25 (2010 Replacement Volume and 2013 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article – Transportation  
28 Section 12–120(a)  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 (2012 Replacement Volume and 2013 Supplement)

2 BY adding to

3 Article – Transportation

4 Section 16–1001 through 16–1003 to be under the new subtitle “Subtitle 10.  
5 Assessment of Fees”

6 Annotated Code of Maryland

7 (2012 Replacement Volume and 2013 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Tax – General**

11 **10–736.**

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
13 MEANINGS INDICATED.

14 (2) “DRIVER EDUCATION COSTS” MEANS THE COST OF  
15 PARTICIPATING IN A DRIVER EDUCATION PROGRAM APPROVED BY THE MOTOR  
16 VEHICLE ADMINISTRATION UNDER TITLE 16, SUBTITLE 5 OF THE  
17 TRANSPORTATION ARTICLE.

18 (3) “ELIGIBLE STUDENT” MEANS A STUDENT WHO IS ELIGIBLE TO  
19 RECEIVE FREE MEALS AT THE SCHOOL THE STUDENT ATTENDS UNDER THE  
20 FEDERAL PROGRAM ESTABLISHED UNDER 42 U.S.C. § 1751.

21 (B) AN INDIVIDUAL MAY CLAIM A REFUNDABLE CREDIT AGAINST THE  
22 STATE INCOME TAX FOR DRIVER EDUCATION COSTS PAID BY THE INDIVIDUAL  
23 DURING THE TAXABLE YEAR FOR EACH ELIGIBLE STUDENT WHO IS THE  
24 INDIVIDUAL’S CHILD, STEPCHILD, OR LEGAL WARD.

25 (C) THE AMOUNT OF THE CREDIT MAY NOT EXCEED THE LESSER OF:

26 (1) \$175 FOR EACH ELIGIBLE STUDENT; OR

27 (2) THE INDIVIDUAL’S DRIVER’S EDUCATION COSTS DURING THE  
28 TAXABLE YEAR.

29 **Article – Transportation**

30 12–120.

1 (a) In this section, “miscellaneous fees” means all fees collected by the  
2 Administration under this article other than:

3 (1) The vehicle titling tax;

4 (2) One-half of the certificate of title fee under § 13-802 of this article;  
5 [and]

6 (3) Vehicle registration fees under Part II of Title 13, Subtitle 9 of this  
7 article; AND

8 (4) FEES COLLECTED UNDER TITLE 16, SUBTITLE 10 OF THIS  
9 ARTICLE.

10 SUBTITLE 10. ASSESSMENT OF FEES.

11 16-1001.

12 A LICENSEE HOLDING A NONCOMMERCIAL CLASS A, B, C, OR M DRIVER’S  
13 LICENSE WHO IS CONVICTED OF A VIOLATION OF § 21-901.1 OR § 21-902 OF  
14 THIS ARTICLE, OR AN OFFENSE IN ANOTHER JURISDICTION THAT WOULD BE A  
15 VIOLATION OF § 21-901.1 OR § 21-902 OF THIS ARTICLE IF COMMITTED IN THIS  
16 STATE, SHALL BE ASSESSED A FEE BY THE ADMINISTRATION FOR EACH  
17 CONVICTION OF \$350 ANNUALLY FOR A PERIOD OF 3 YEARS FROM THE DATE OF  
18 CONVICTION.

19 16-1002.

20 (A) THE ADMINISTRATION SHALL SEND NOTICE TO EACH INDIVIDUAL  
21 ASSESSED A FEE UNDER § 16-1001 OF THIS SUBTITLE NO MORE THAN 30 DAYS  
22 AFTER THE CONVICTION THAT SUBJECTS THE INDIVIDUAL TO THE FEE IS  
23 POSTED TO THE INDIVIDUAL’S DRIVING RECORD.

24 (B) (1) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE  
25 ADMINISTRATION SHALL SUSPEND THE DRIVER’S LICENSE OF AN INDIVIDUAL  
26 UNLESS ALL FEES ASSESSED UNDER § 16-1001 OF THIS SUBTITLE ARE PAID  
27 WITHIN A TIME PERIOD ESTABLISHED BY THE ADMINISTRATION.

28 (2) AN INDIVIDUAL MAY REQUEST A HEARING CONCERNING A  
29 PROPOSED DECISION OF THE ADMINISTRATION TO SUSPEND THE INDIVIDUAL’S  
30 DRIVER’S LICENSE OR PRIVILEGE TO DRIVE UNDER THIS SUBSECTION.

31 (3) AT A HEARING UNDER THIS SUBSECTION, THE ISSUE SHALL  
32 BE LIMITED TO WHETHER THE ADMINISTRATION HAD MISTAKEN THE IDENTITY

1 OF THE INDIVIDUAL WHOSE DRIVER'S LICENSE OR PRIVILEGE TO DRIVE HAS  
2 BEEN SUSPENDED.

3 (C) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
4 ADMINISTRATION MAY ESTABLISH A SCHEDULE FOR PAYMENT OF FEES  
5 IMPOSED UNDER § 16-1001 OF THIS SUBTITLE.

6 (2) IF THE PAYMENT SCHEDULE ESTABLISHED UNDER THIS  
7 SUBSECTION IS FOLLOWED, THE ADMINISTRATION:

8 (I) MAY NOT SUSPEND AN INDIVIDUAL'S LICENSE FOR  
9 NONPAYMENT OF THE FEES IMPOSED UNDER § 16-1001 OF THIS SUBTITLE; AND

10 (II) SHALL REINSTATE A LICENSE THAT WAS SUSPENDED  
11 FOR FAILURE TO PAY THE FEES IMPOSED UNDER § 16-1001 OF THIS SUBTITLE.

12 (3) A LICENSEE MAY PREPAY AT ANY TIME THE TOTAL AMOUNT  
13 OF FEES ASSESSED UNDER § 16-1001 OF THIS SUBTITLE THAT WOULD  
14 OTHERWISE BE DUE OVER THE 3-YEAR PERIOD.

15 16-1003.

16 (A) IN THIS SECTION, "FUND" MEANS THE DRIVER'S EDUCATION FUND.

17 (B) THERE IS A DRIVER'S EDUCATION FUND.

18 (C) THE PURPOSE OF THE FUND IS TO ASSIST LOW INCOME FAMILIES IN  
19 PAYING THE COST OF A DRIVER'S EDUCATION PROGRAM APPROVED BY THE  
20 ADMINISTRATION UNDER SUBTITLE 5 OF THIS TITLE.

21 (D) THE ADMINISTRATION SHALL ADMINISTER THE FUND.

22 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
23 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (2) THE STATE TREASURER SHALL HOLD THE FUND  
25 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

26 (F) AFTER DEDUCTING AN AMOUNT SUFFICIENT TO PAY THE COSTS  
27 NECESSARY TO ADMINISTER THIS SUBTITLE, THE ADMINISTRATION SHALL  
28 DISTRIBUTE THE BALANCE OF THE REVENUE DERIVED FROM THE FEES  
29 ASSESSED UNDER § 16-1001 OF THIS SUBTITLE TO THE FUND.

1           **(G) THE FUND MAY BE USED ONLY TO PAY THE COST OF THE TAX**  
2 **CREDIT ESTABLISHED UNDER § 10-736 OF THE TAX – GENERAL ARTICLE.**

3           SECTION 2. AND BE IT FURTHER ENACTED, That Title 16, Subtitle 10 of  
4 the Transportation Article, as enacted by this Act, shall be construed to apply only  
5 prospectively and may not be applied or interpreted to have any effect on or  
6 application to any conviction of a licensee before the effective date of this Act.

7           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2014.