

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 366

(Senator Waldstreicher)

Judicial Proceedings

Environment and Transportation

**Motor Vehicles - Intelligent Speed Assistance System Pilot Program -
Establishment**

This bill establishes the Intelligent Speed Assistance (ISA) System Pilot Program, which must be administered by the Motor Vehicle Administration (MVA). The bill requires an individual to participate in the program if the individual has accumulated points in an amount that would result in suspension or revocation of a driver's license under specified provisions of State law. Generally, an individual must be a participant for one year. The bill establishes numerous rules and procedures for program participation and requires MVA to adopt regulations to carry out the bill – including requirements for a participant to operate a motor vehicle equipped with an ISA system in a safe manner (as determined by MVA). MVA and any vendor it contracts with may retain and share related data only for specified purposes and generally must destroy collected data within 30 days of collection. In addition, the bill prohibits the sale of any data collected under the program. By December 30, 2029, MVA must report to the Governor and the General Assembly on the implementation of the pilot program. **The bill terminates June 30, 2030.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues likely increase negligibly from FY 2027 through 2030 due to program participation fees, as discussed below. No effect in FY 2031 due to termination of the pilot program. MVA can likely implement the pilot program with existing resources, as discussed below, although a consultant may be needed to develop the program. District Court operations are not materially affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: An “approved service provider” means a person who is certified by MVA and a manufacturer to service, install, monitor, calibrate, and provide information on ISA systems. A “manufacturer” means a person that manufactures ISA systems.

MVA must establish a protocol for the program through the adoption of regulations that require certain minimum standards for all service providers who service, install, monitor, calibrate, and provide information on ISA systems. The regulations must require that:

- a service provider who applies to MVA for certification as an approved service provider demonstrate the ability to competently service, install, monitor, calibrate, and provide information to MVA at least every 30 days on individuals required to use ISA systems;
- a service provider who applies to MVA for certification as an approved service provider be certified by a signed affidavit from the manufacturer that the service provider has been trained by an authorized manufacturer and that the service provider is competent to service, install, monitor, calibrate, and provide information on ISA systems;
- approved service providers be considered to be authorized representatives of the manufacturer; and
- any service of notice on an approved service provider be considered to be service of notice on the manufacturer who certified the approved service provider.

An individual must be an ISA system program participant if the individual has accumulated points in an amount that would result in suspension or revocation of a driver’s license under specified provisions of State law due to any combination of the applicable violations. The relevant violations (and the related points assessed upon conviction) are shown in **Exhibit 1**. MVA may issue a restrictive license for the period of the suspension to an individual who participates in the ISA system program.

An individual who participates in the program must be a participant for one year. However, if an individual fails to participate in the program or successfully complete it, MVA must suspend the individual’s driver’s license until the individual successfully completes the program – regardless of other provisions of State law requiring reinstatement.

More specifically, MVA must (1) modify a suspension and issue a restrictive driver’s license requiring the use of an ISA system for the duration of the program participation to a participant who is otherwise eligible for the license and (2) reinstate the driver’s license, subject to a restriction requiring the use of an ISA system for the duration of program participation, of a participant whose driver’s license has been revoked. A notice of

suspension or revocation (for the applicable offenses noted in Exhibit 1) sent to an individual must include information about the program and how individuals may participate. MVA must establish a fee for participation in the program that is sufficient to cover program costs.

Exhibit 1
**Violations Requiring Pilot Program Participation if Total Points Accumulated
(Alone or in Combination) Result in Suspension or Revocation of a Driver's License**

<u>Violation</u>	<u>Points Assessed Upon Conviction</u>
Speeding in excess of the posted speed limit by 10 MPH or more	2 points
Displaying or possessing a cancelled, revoked or suspended license	3 points
Speeding in excess of a posted speed limit of 65 MPH by 20 MPH or more	5 points
Reckless driving	6 points
Driving vehicles not authorized under license or unauthorized driving of a school vehicle	8 points
Driving while texting or using a handheld telephone – death or serious bodily injury	12 points

MPH: miles per hour

Source: Department of Legislative Services

The bill further establishes the following processes, procedures, and requirements related to the use and operation of ISA systems:

- A participant may not operate a motor vehicle in violation of program requirements.
- A participant is considered to have begun participation in the program on the day the ISA system is installed in the participant's motor vehicle.
- An individual required to use an ISA system (1) must be monitored by MVA and (2) must pay the required fee (but MVA must waive the fee for an individual who is indigent).
- If an individual completes the program and the individual's license is not refused, revoked, suspended, or canceled under another provision of the Transportation Article, MVA must immediately issue a license to the individual.

- If MVA removes an individual from the ISA system program because the individual violated any program requirement, MVA may allow the individual to reenter the program after 30 days from the date of removal. If an individual reenters the program in this manner, the individual must participate for three months *in addition to* the period of time that was necessary for successful completion of the ISA system program at the time of removal.

Use of Program Data

MVA or a vendor may share data collected under the bill only (1) when required by court order; (2) as required by State law; (3) with the Maryland Department of Transportation or the court with jurisdiction over a program participant regarding a violation by a participant; or (4) for research purposes, if the data is anonymized. Furthermore, MVA or a vendor may retain data collected only to (1) confirm compliance with program requirements or (2) evaluate or improve the effectiveness of the program.

MVA or any vendor must remove from its records and destroy any data collected pursuant to the bill within 30 days after collecting the data. Data collected may not be sold for any purpose by MVA or a vendor, including the sale of subscriptions or licenses to access data.

Current Law:

Effect of Accumulated Points (§ 16-404 of the Transportation Article)

MVA maintains a point system designed to track the frequency and severity of moving violations and other vehicle-related convictions. Under this system, MVA is required to send a warning letter to an individual who accumulates three points. Upon accumulation of 5 points, an individual is required to attend a driver improvement program. MVA is required to suspend the license of an individual who has accumulated 8 points and to revoke the license of an individual who has accumulated 12 points.

License Reinstatement (§ 16-208 of the Transportation Article)

An individual whose license or privilege to drive has been revoked may apply for reinstatement according to the following schedule:

- any time after a first revocation;
- one year following a second revocation;
- 18 months following a third revocation; and
- two years following a fourth or subsequent revocation.

However, for revocations related to specified drunk or drugged driving offenses resulting in the death or life-threatening injury of another person and failure to remain at the scene of an accident resulting in death or serious bodily injury, the individual must wait until five years after the revoked license is surrendered to and received by MVA to file a reinstatement application. However, if MVA finds that the five-year waiting period would cause undue hardship or extenuating circumstances exist, the individual may file a reinstatement application after two years.

In general, MVA is authorized to reinstate an individual’s license upon submission of a timely reinstatement application or, in the case of a first revocation, six months after the application. However, if an individual’s license or privilege has been refused, revoked, suspended, or canceled under any other provision of the Maryland Vehicle Law, the license or privilege may not be reinstated. Under certain circumstances, MVA may only reinstate a license if, after conducting an investigation of an individual’s habits, MVA is satisfied that it would be safe to do so.

State Fiscal Effect: TTF revenues increase negligibly in fiscal 2027 and by as much as \$61,020 from fiscal 2028 through 2030 due to the assessment of fees associated with participation in the ISA system program, as illustrated in **Exhibit 2**. Although the bill takes effect October 1, 2026, MVA anticipates an eight-month start-up delay; as a result, fiscal 2027 revenues reflect only one month of revenues. MVA anticipates approximately 678 individuals may be subject to the bill’s requirements each year.

Exhibit 2
Illustrative Annual Transportation Trust Fund Revenues Attributable to the Intelligent Speed Assistance System Pilot Program for Each Annual Cohort*

<u>Fee</u>	<u>Annual Participants</u>	<u>Fee</u>	<u>Revenues</u>
Restricted License (Upon Program Entrance)		\$20	\$13,560
Program Participation	678	50	33,900
Corrected License (Upon Program Completion)		20	13,560
Total Transportation Trust Fund Revenues			\$61,020

* Although the bill takes effect October 1, 2026, the Motor Vehicle Administration estimates approximately eight months to fully implement the program. Therefore, the effect on Transportation Trust Fund revenues in fiscal 2027 is negligible. The above estimate reflects anticipated annualized revenues from fiscal 2028 through 2030. As the program terminates June 30, 2030, there is no effect on finances after fiscal 2030.

Source: Motor Vehicle Administration; Department of Legislative Services

This illustrative estimate assumes that each program participant is responsible for the following costs at each step in the process: (1) obtaining an updated driver's license with the applicable restriction (\$20); (2) a program participation fee (\$50); and (3) a fee to receive a corrected driver's license with the restriction removed upon program completion (\$20). Although participants are also responsible for covering the costs associated with device installation and management, those costs are assumed to be paid directly to approved service providers and, thus, have no effect on TTF revenues.

This illustrative estimate also assumes that individuals participating due to revocation must still pay the fee for reinstatement (\$90). However, it is unclear whether individuals participating due to suspension must do so; to the extent they are not subject to a reinstatement fee, the revenues associated with their program participation total to the same amount they would have otherwise paid for reinstatement. The illustrative example above does not reflect any such offsets.

The number of individuals who may qualify for a fee exemption (due to the bill's provision exempting certain indigent individuals) is unknown and not reflected in this illustrative estimate. Additionally, the illustrative estimate generally assumes that revenues associated with program participation and completion are realized in the same fiscal year; in reality, revenues may not be realized until the subsequent fiscal year (assuming no extension), resulting in a more uneven distribution of fee revenues across fiscal years.

MVA advises the pilot program can likely be implemented with existing resources under the assumed caseloads noted above. However, an increase in caseloads may significantly impact MVA operations and necessitate hiring additional staff, particularly given that use of ISA systems in the United States is a relatively recent development. MVA notes that one additional staff is likely needed per every 1,500 program participants. Furthermore, although the bill may require significant internal reprogramming, website changes, and other communication changes, these changes can also likely be handled with existing resources.

Additionally, this estimate does not include costs for an outside consultant to assist MVA in developing the program. According to MVA, due to a lack of federal standards for ISA restriction devices in vehicles and current staff expertise in this area, the administration *may* need to employ an outside consultant to develop the program parameters with a particular focus on standardizing device and vendor requirements. Costs for these services are approximately \$100,000 per year. At this time, it is unclear how long MVA would need these services for program development.

Small Business Effect: Approved service providers that are small businesses may realize revenue increases due to increased demand for ISA systems under the bill. MVA advises

that some vendors in the State currently approved to work with [Ignition Interlock Program](#) participants are actively piloting speed enforcement systems technologies in other states.

Additional Comments: According to the [National Highway Traffic Safety Administration](#) (NHTSA), ISA systems can vary from minimal systems that provide only information to active speed limit control that could be mandatory or voluntary (with on/off activation switches). For example, ISA systems may provide information only (*i.e.*, display the speed limit and changes) or could automatically prevent speeding above the speed limit (*i.e.*, mandatory speed compliance). Compared to speed governors (which can only limit the maximum speed of a vehicle), ISA systems have the potential to help control speed of all motor vehicle types according to the prevailing limit at a given location.

NHTSA notes that ISA systems have been found to lower speeding among drivers using the systems. Varied types of systems have been widely studied in European countries for acceptability and effects on driver behavior. In Europe, the effects on speeding have been dramatic for both warning and control type ISA systems.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 993 and HB 1139 of 2025.

Designated Cross File: HB 107 (Delegate Allen, *et al.*) - Environment and Transportation.

Information Source(s): U.S. Department of Transportation (National Highway Traffic Safety Administration); Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Department of Legislative Services

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Analysis by: Eric F. Pierce

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