

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 70

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - Transportation)

Judicial Proceedings

Vehicle Laws - HOV Lanes - Plug-In Electric Drive and Hybrid Vehicles

This departmental bill extends the termination date (from September 30, 2022, to September 29, 2025) for the authorization of plug-in electric drive vehicles to use *all* high-occupancy vehicle (HOV) lanes regardless of the number of passengers. In addition, the bill expedites the termination date (from September 30, 2022, to September 29, 2019) for the authorization of qualified hybrid vehicles to use an HOV lane along the portion of U.S. Route 50 between Interstate 95/Interstate 495 and U.S. Route 301 regardless of the number of passengers. The authorization for the Motor Vehicle Administration (MVA) to charge a fee for issuing a permit is also extended. MVA and the State Highway Administration (SHA) must continue to report each year to the Governor and the General Assembly on the effect of the use of both plug-in electric drive vehicle and qualified hybrid vehicle permits issued on the operation of HOV lanes in Maryland. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: Although the bill extends the current authorization for MVA to charge a fee for issuance of the HOV permits, MVA does not currently charge a permit fee. To the extent that MVA charges a fee in the future, Transportation Trust Fund revenues increase accordingly. MVA and SHA can continue to report as required with existing resources.

Local Effect: None.

Small Business Effect: The Maryland Department of Transportation has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: Whenever SHA designates a portion of a highway as an HOV lane, the HOV lane may be used at all times by specified plug-in electric drive vehicles that have obtained a permit from MVA as required, regardless of the number of passengers in the vehicle.

MVA, SHA, and the Department of State Police must design a permit to designate a vehicle as a plug-in electric drive vehicle authorized to use an HOV lane. MVA may charge a fee (not to exceed \$20) for issuing the permit. On the recommendation of SHA, MVA is authorized to limit the number of permits issued to ensure HOV lane operations are not degraded to an unacceptable level.

In January 2018, MVA advised there were 86,233 hybrid vehicles and 11,906 plug-in electric drive vehicles registered in Maryland. In addition, the number of plug-in electric drive vehicles with the HOV decal was 2,566, which represented about 22% of all plug-in electric drive vehicles registered in the State.

History of HOV Lane Exceptions for Plug-in Electric Drive and Qualified Hybrid Vehicles

The authorization for plug-in electric drive vehicles to use HOV lanes is temporary. It was first established by Chapters 491 and 492 of 2010 for plug-in vehicles, with a termination date of September 30, 2013. However, Chapters 64 and 65 of 2013 modified the authorization to apply to plug-in electric drive vehicles with a maximum speed capability of at least 65 miles per hour and extended the original termination date through September 30, 2017, among other things.

Chapter 734 of 2016 again extended the termination date for the authorization for plug-in electric drive vehicles to use HOV lanes through September 30, 2018. In addition, Chapter 734 also allowed “qualified hybrid vehicles” to use an HOV lane on specified portions of U.S. Route 50 regardless of the number of passengers, under specified circumstances, through September 30, 2018. (A “qualified hybrid vehicle” means an automobile that (1) meets all applicable regulatory requirements; (2) meets the current vehicle exhaust standard set under the federal Tier 2 program for gasoline-powered passenger cars under specified federal regulations; and (3) can draw propulsion energy from both gasoline or diesel fuel and a rechargeable energy storage system.)

Chapters 678 and 679 of 2018 further extended HOV-lane privileges for plug-in electric drive vehicles and qualified hybrid vehicles through September 30, 2022.

Alignment with Federal Law

MVA advises that the bill aligns State law with federal authorization under Section 166 of Title 23 of the U.S. Code, which governs both types of vehicles. Section 166 allows for several categories of vehicles to use lanes designated as HOV regardless of vehicle occupancy if a state has established a program to ensure the lanes are not degraded.

Among these categories in federal law are “alternative fuel vehicles” and “new qualified plug-in electric drive motor vehicles.” Pursuant to 23 U.S.C. § 166 (b)(5)(A), such vehicles may be authorized to use HOV lanes through September 29, 2025. MVA notes that the current authorization under Maryland law for plug-in electric drive vehicles to use all HOV lanes expires September 30, 2022 – approximately three years *prior to* the date authorized by federal law.

MVA further notes that another category under federal law is “other low emission and energy-efficient vehicles.” Pursuant to 23 U.S.C. § 166(b)(5)(B), such vehicles may be authorized to use HOV lanes through September 29, 2019. While “qualified hybrid vehicles,” as defined in Maryland law, align with these federal qualifications, the current authorization under State law for such vehicles to use HOV lanes on U.S. Route 50 expires September 30, 2022 – approximately three years *beyond* the date authorized by federal law.

These two changes, therefore, align Maryland law with federal law. MVA notes that the Federal Highway Administration has broad authority to withhold federal highway funds, and that noncompliance with federal law – including HOV lane exceptions – may result in a significant loss of federal highway funding to the State.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 21, 2019
sb/ljm

Analysis by: Eric F. Pierce

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Vehicle Laws – HOV Lanes – Plug-in Drive and Hybrid Vehicles

BILL NUMBER: SB 70

PREPARED BY: Maryland Department of Transportation / _____
(Dept./Agency)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS