

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

Revised

House Bill 884

(Delegate Hecht, *et al.*)

Commerce and Government Matters

Judicial Proceedings

High Occupancy Vehicle (HOV) Lanes - Use by Inherently Low Emission Vehicles

This bill requires the State Highway Administration (SHA), when designating a portion of a highway as a high-occupancy vehicle (HOV) lane, to place traffic control devices indicating that the HOV lane may be used at all times by inherently low emission vehicles (ILEVs). It directs the Motor Vehicle Administration (MVA), SHA, and the Department of State Police to design a permit to designate a vehicle as an ILEV and authorizes the MVA to charge a fee not to exceed \$16 for the permit.

The bill requires the MVA to report to the General Assembly on or before January 1 of each year on the effect of the ILEVs on HOV lane operations. The bill, including the reporting requirements, will be effective until September 30, 2004.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures would increase by \$6,000 in FY 2003 only, assuming only a certain number of highway signs require modification. TTF expenditures associated with issuance of the permit will be covered by the fee charged by the MVA.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	6,000	0	0	0	0
Net Effect	(\$6,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: On every highway under its jurisdiction, the SHA is required to place and maintain traffic control devices that it considers necessary to regulate traffic or carry out the provisions of the Maryland Vehicle Law. The Code of Federal Regulations defines an inherently low-emission vehicle as one that generates fuel vapor emissions that are five or less total grams per test as measured by the current Federal Test Procedure.

Background: There are approximately 500 ILEV vehicles that would qualify for the permit provided by the bill, as it only applies to vehicles that operate with compressed natural gas and excludes those with a dual system. Only about 25 gasoline stations in the State sell compressed natural gas.

California enacted a similar law in 1999 that allows low-emission vehicles to use HOV lanes until 2004. These vehicles' access to individual HOV lanes can be removed during periods of peak congestion.

State Fiscal Effect: The SHA advises that it would cost approximately \$6,000 to implement the bill if it simply modifies the "motorcycles OK" plaques on Interstate 270, the only highway that now uses HOV lanes. However, the SHA further advises that if it were necessary to modify all of the HOV signs on I-270, TTF expenditures could exceed \$100,000.

The MVA advises that permit revenues will increase by \$24,000 to cover most of the \$30,000 computer programming costs and \$383 of mailing costs associated with the permit. It also advises that it anticipates all issuances to be issued through online transactions. The MVA assumes that the number of vehicles eligible for the permit will increase to 1,500. However, the Department of Legislative Services (DLS) advises that this is unlikely given that there are only 500 qualifying vehicles now and the limited time period for the program.

DLS advises that this is a significant increase from the agency's estimate in 2001 and advises that: (1) for a substantially similar bill (HB 934), the MVA estimated last year that it would cost \$1,000 to issue approximately 500 stickers for ILEVs and that it would collect about the same amount through the \$2.50 fee per sticker; (2) mailing costs should be minimal for online transactions and could be absorbed with existing resources; (3) the computer costs provided are simply an estimate and cannot be verified by DLS at this time and economies of scale could be realized if other changes to the computer system are required pursuant to legislation enacted in 2002.

The MVA advises that this year's cost estimate is different because the previous bill did not terminate after two years.

Additional Comments: Significant operational changes to HOV lanes -- such as a proposal to significantly adjust the hours of operation, or convert an HOV lane to a general purpose lane -- are not permitted without the Federal Highway Administration's approval if the lanes were designed and constructed with certain federal funds. This restriction applies to I-270 but the Maryland Department of Transportation advises that the allowance of ILEVs is not considered a significant change.

Additional Information

Prior Introductions: A similar bill was introduced as HB 934 during the 2001 session and was given an unfavorable report by the Commerce and Government Matters Committee.

Cross File: None.

Information Source(s): Department of Transportation, Department of Environment, Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2002
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