

Department of Legislative Services  
Maryland General Assembly  
2003 Session

FISCAL AND POLICY NOTE

House Bill 321 (Delegate Malone)  
Environmental Matters

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Motor Vehicles - Low Speed Vehicles - Standards and Restrictions

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This bill clarifies the Motor Vehicle Administration's (MVA) authority to register and issue certificates of title for low-speed vehicles. A low-speed vehicle is defined as a four-wheeled electric vehicle that can be driven between 20 and 25 miles per hour. The bill prohibits a person from driving a low-speed vehicle on a roadway with a posted speed limit that exceeds 35 miles per hour or on an expressway or another controlled access highway.

The State Highway Administration (SHA) and the Department of State Police must adopt regulations establishing equipment standards for low-speed vehicles. SHA may also adopt regulations to require equipment beyond what is required under federal law.

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Fiscal Summary

**State Effect:** Net Transportation Trust Fund (TTF) revenues could increase by as much as \$413,225 in FY 2004. Revenues and expenditures would vary in the out-years due to the vehicle growth rate and registration fee schedule. Potential minimal increase in general fund revenues due to the penalty provisions applicable under the Maryland Vehicle Law (maximum \$500 fine).

**Local Effect:** Potential increase in local government revenue in FY 2004 and each year thereafter.

**Small Business Effect:** None.

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## Analysis

**Current Law:** State law defines a vehicle as any device in, on, or by which any individual or property is or might be transported or towed on a highway. With certain exceptions, the owner of any device classified as a vehicle must obtain a certificate of title for the vehicle. Electronic personal mobility devices, such as Segways, are not considered vehicles. If a vehicle is also defined as a motor vehicle, which means it is self-propelled or propelled by electric power obtained from overhead electrical wires and does not operate on rails, then the vehicle must be registered, with certain exceptions. Registered vehicles are subject to a biennial fee that varies according to vehicle class and an \$11 surcharge collected for the Maryland Institute of Emergency Medical Services Systems (MIEMSS) and other related emergency uses unless exempted. Registration fee revenue is deposited into the Gasoline and Motor Vehicle Revenue Account – 70% is for the TTF and local jurisdictions receive the remainder (30%).

Motor vehicles must be inspected and tested every two years under the State Vehicle Emissions Inspections Program (VEIP) for a biennial fee of \$14, unless a waiver is granted. Vehicles and motor vehicles are also subject to the requirements of the Maryland Vehicle Law. In general, persons convicted of a misdemeanor for violating any provision of the Maryland Vehicle Law are subject to a fine of not more than \$500.

Federal regulations require low-speed vehicles to be equipped with the following: (1) headlamps; (2) front and rear turn signal lamps; (3) tail lamps; (4) stop lamps; (5) one red reflector on each side as far to the rear as practicable, and one on the rear; (6) an exterior mirror mounted on the driver's side of the vehicle and either an exterior mirror on the passenger's side of the vehicle or an interior mirror; (7) a parking brake; and (8) a windshield that meets certain industry standards.

**State Fiscal Effect:** The Maryland State Police estimates that 10,000 to 20,000 vehicles would be subject to titling and registration requirements under the bill. The Department of Legislative Services (DLS) advises that the wide range of potentially affected vehicles makes it impossible to quantify the exact amount of revenues or expenditures for this bill. Assuming 15,000 vehicles need to be titled and registered at a cost of \$60 per vehicle, net TTF revenues would increase by \$413,225 in fiscal 2004, accounting for the October 1, 2003 effective date and related TTF expenditures, as discussed below.

Total TTF revenues would increase by \$550,125. The titling fee is \$23 per vehicle and the biennial registration charge set by the MVA would likely be \$37. (The MVA advises that it does not expect low-speed vehicles to be subject to the \$11 surcharge for the Maryland Emergency Medical Systems Fund.) Annual revenues would vary according to the registration payment schedule. The MVA estimates that an additional 450 vehicles will require titling and registration annually.

General fund revenues could increase to the extent that low-speed vehicles are subject to monetary penalties under Maryland Vehicle Law.

The MVA advises that one full-time and one part-time employee is needed for every 10,000 vehicles registered if the registration also includes titling, which is a more complex process. Since the demand may vary by branch, DLS advises that on-call contractual assistance would be more feasible. If 15,000 vehicles must be registered and titled, fiscal 2004 expenditures would be approximately \$136,900 to account for one contractual employee at the MVA's call center, on-call contractual services to assist customers, supplies (including plates), and mailing costs. Annual expenditures would vary.

The MVA advises that computer programming costs would be approximately \$140,000, in addition to document scanning and data storage costs. DLS advises that if other legislation is passed that affects the registration system, economies of scale could be realized. This would reduce the costs associated with this bill and other legislation affecting the MVA system.

**Local Effect:** Local governments would receive up to \$124,875 in fiscal 2004 and \$83,250 annually under this bill if 15,000 vehicles register with the State.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None, although SB 521 is identical.

**Information Source(s):** Department of State Police, Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 12, 2003  
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Analysis by: Ann Marie Maloney

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