

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 991 (Delegate Malone)
 Environmental Matters

Motor Vehicles - Low Speed Vehicles - Standards and Restrictions

This bill specifies 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 30 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.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues could increase by as much as \$572,600 in FY 2005 and TTF expenditures could increase by \$140,600. 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).

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
GF Revenue	-	-	-	-	-
SF Revenue	572,600	22,900	786,400	45,800	1,381,900
SF Expenditure	140,600	87,400	61,400	62,500	63,100
Net Effect	\$432,000	(\$64,500)	\$725,000	(\$16,700)	\$1,318,800

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

Local Effect: Increase in local government revenue of \$124,900 in FY 2005.

Small Business Effect: Minimal.

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 a vehicle must obtain a certificate of title. 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, it 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.

Motor vehicles must be inspected and tested every two years under the State Vehicle Emissions Inspections Program (VEIP) but electric vehicles are exempt from this requirement. 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 difficult to quantify the exact amount of revenues or expenditures for this bill. Assuming 15,000 vehicles need to be titled and registered, TTF revenues would increase by \$572,625 in fiscal 2005, accounting for the October 1, 2004 effective date and related TTF expenditures, as discussed below. This estimate assumes a \$60 total fee for

registration (\$37) and titling (\$23), as well as a \$20 lien fee for approximately 1,500 vehicles.

Total TTF revenues would increase by \$697,500 in fiscal 2005; the State would retain \$572,625, which includes all lien and titling fees and 70% of the registration fee. The remainder is distributed to local governments. The MVA advises that it expects low-speed vehicles to be exempt from 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 – annual revenues would therefore increase by \$22,905.

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 customer agent 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 2005 expenditures would be approximately \$140,560 to account for one contractual employee at the MVA's call center, on-call contractual services, supplies (including plates), mailing costs, and one-time equipment purchases. Out-year expenditures would be less.

The MVA advises that computer programming and web site updating costs would be approximately \$150,000, 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 2005 if 15,000 vehicles register with the State. Annual revenues would fluctuate according to the registration cycle and vehicle growth rate. New registrations will generate approximately \$5,000 annually.

Additional Information

Prior Introductions: A similar bill was introduced as HB 321 in 2003 and given an unfavorable report by the Environmental Matters Committee.

Cross File: None.

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

Fiscal Note History: First Reader - March 11, 2004
mh/jr

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