

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 674

(Delegate Malone)

Environmental Matters

Judicial Proceedings

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High Occupancy Vehicle (HOV) Lanes - Use by Plug-In Vehicles

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This bill authorizes a “plug-in vehicle” affixed with a State permit designating it as such to use high occupancy vehicle (HOV) lanes.

The bill terminates September 30, 2013.

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Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) expenditures may increase minimally in FY 2011 for the Motor Vehicle Administration (MVA) to adopt regulations and produce permits that allow “plug-in vehicles” to use HOV lanes. TTF expenditures may also increase for the State Highway Administration (SHA) to adopt regulations and monitor the condition and operation of HOV lanes as required by the bill and federal law. TTF revenues may increase to the extent a permit fee is established as authorized by the bill.

**Local Effect:** The bill is not anticipated to materially affect local operations or finances.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** A “plug-in vehicle” is an unmodified vehicle of no more than 8,500 pounds, manufactured primarily for use on public roads and highways, with a maximum speed capability of at least 65 miles per hour and a rechargeable battery with a capacity of at least 2.5 kilowatt hours for a vehicle with two or three wheels, and at least 4 kilowatt hours for a vehicle with four wheels. The battery must be capable of being recharged from an external source of electricity. The Department of State Police (DSP)

as well as MVA and SHA must design a permit to designate a plug-in vehicle. MVA may charge a fee of up to \$20 for issuance of this permit.

The bill defines an “HOV lane” as one that is restricted by a traffic control device (such as a sign) during specific times to vehicles carrying at least a specified number of occupants. A plug-in vehicle that obtains a permit from MVA may use each HOV lane designated by SHA, regardless of the number of passengers in the vehicle. MVA, on recommendation of SHA, may limit the number of permits issued to ensure that HOV lanes are not degraded to an unacceptable level.

MVA and SHA have to annually report on the effect that use of plug-in vehicle permits has on the operation of HOV lanes in the State.

**Current Law:** Maryland law does not regulate the use of HOV lanes or plug-in vehicles. However, there are HOV lanes along two federal highways in the State: one on I-270 in Montgomery County; and one on U.S. Route 50 in Prince George’s County. Federal law authorizes low-emission, energy-efficient, and alternative-fuel vehicles to use HOV lanes until December 31, 2010.

**Background:** Generally, there are two types of vehicles capable of drawing energy from an electrical outlet: (1) electric vehicles (EVs); and (2) plug-in hybrid electric vehicles (PHEVs). The difference between the two vehicles is that a PHEV is capable of operating using a gasoline-powered internal combustion engine in combination with, or separate from, an electric motor. While EVs have been around for more than a century and are experiencing a resurgence in popularity and sales, PHEVs have only been produced in limited quantities for purchase by the public. However, many of the world’s largest automakers, including General Motors and Toyota, have begun to market PHEV models for mass production. In addition, there are dozens of smaller manufacturers of EVs and PHEVs, as well as companies that convert standard hybrid electric vehicles to PHEVs.

Chapter 549 of 2002 authorized drivers of “inherently low emission vehicles” (ILEVs) to use HOV lanes at all times and required MVA to annually report to the General Assembly regarding the impact of ILEVs on HOV traffic. That authorization expired on September 30, 2004. According to MVA, in fiscal 2004, only 15 ILEVs in the State had a permit for HOV use; consequently, HOV lane operations were not affected.

**State Fiscal Effect:** TTF expenditures may increase at MVA and SHA beginning in fiscal 2011 and continuing until fiscal 2014. However, Legislative Services advises that expenditures are unlikely to increase significantly under the bill. SHA can likely monitor HOV lanes to ensure that no degradation of the lanes occurs under the bill by diverting existing resources rather than procuring more expensive automated equipment; further,

by authorizing MVA to control the number of permits issued to vehicles under the bill, SHA is less likely to require any significant additional highway monitoring resources. However, it is unknown whether TTF finances will be affected beyond fiscal 2011 as it is unclear whether the current federal extension of the authorization for use of HOV lanes by plug-in vehicles will be renewed by the U.S. Congress beyond December 31, 2010. To the extent expenditures increase in any year, they may be partially or fully offset by permit fee revenues authorized by the bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None designated; however, SB 602 is identical.

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

**Fiscal Note History:** First Reader - February 21, 2010  
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Revised - Updated Information - March 30, 2010  
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