

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 773 (Senator Ferguson)
Judicial Proceedings

Automated Motor Vehicles - Titling, Registration, and Rules of the Road

This bill defines “automated motor vehicle” and incorporates an automated motor vehicle within the definition of “motor vehicle,” thereby requiring such vehicles to be titled and registered and the driver of such vehicles to possess a specified class of driver’s license and required security – generally in the form of a vehicle liability insurance policy. The bill establishes the Class S (automated) vehicle registration classification and an annual registration fee of \$50.50 for such vehicles. The Motor Vehicle Administration (MVA) is required to design and issue a special registration plate to an automated motor vehicle. Finally, the bill prohibits an automated motor vehicle from operation on a highway in automated mode, except under specified circumstances, including that the operator is an employee, contractor, or other individual authorized by the manufacturer to operate the vehicle and that another individual who has the ability to monitor the vehicle’s performance is in the vehicle with the ability to immediately take control of the vehicle.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by about \$106,000 in FY 2015 only for contractual reprogramming of external computer systems, and for the design of a new registration plate as required by the bill. TTF and other special fund revenues may increase minimally beginning in FY 2015 due to the collection of vehicle registration fees, excise taxes, title fees, and title lien fees. General fund revenues may increase minimally beginning in FY 2015 due to the collection of additional insurance premium taxes.

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

Small Business Effect: Minimal.

Analysis

Current Law: A “motor vehicle” is defined as a vehicle that is self-propelled or propelled by electric power obtained from overhead electrical wires and not operated on rails. Motor vehicles, with some exceptions, must be titled and registered.

Each vehicle registration is subject to a registration fee based on the vehicle classification. For context, a Class A (passenger) vehicle annual registration fee is \$50.50 for a vehicle with a manufacturer’s shipping weight of 3,700 pounds or less, and \$76.50 for a vehicle of more than 3,700 pounds. Most vehicle registration classes are also subject to an annual surcharge of \$17 payable to the Maryland Trauma Physician Services Fund and the Maryland Emergency Medical System Operations Fund.

An individual may not attempt to drive a motor vehicle on any highway in the State without a driver’s license, unless expressly exempt from licensing requirements, or if the individual is not authorized to drive the class of vehicle that the individual is driving or attempting to drive.

MVA is prohibited from issuing or transferring a vehicle registration unless the owner or the prospective owner produces satisfactory evidence of required security. The owner of a motor vehicle that is required to be registered in Maryland has to maintain the required security for the vehicle during the registration period.

Background: Self-driving, or autonomous, vehicles have been the subject of numerous development efforts around the world over the past several decades. More recently, several major automobile manufacturers and Google have unveiled plans to develop a self-driving vehicle for the commercial market. Nevada was the first state to enact legislation authorizing the use of self-driving vehicles in 2011 and issued its first license to Google. Since then, three other states (California, Florida, and Michigan) and the District of Columbia have also enacted legislation authorizing the testing or operation of self-driving vehicles. Legislation has also been considered by 13 other states in 2013, according to the National Conference of State Legislatures (NCSL). According to NCSL, several issues that states are considering to accommodate the use of self-driving vehicles include liability, appropriate levels of insurance, cyber security, and application of distracted driving laws for the individual that engages the self-driving vehicle.

State Fiscal Effect: TTF expenditures increase by \$105,999 in fiscal 2015 only for external reprogramming of MVA computer systems (estimated at \$85,999) and to design the required special registration plate (\$20,000).

Any impact on TTF, other special fund, or general fund revenues is likely minimal as the bill is anticipated to apply to a very limited number of vehicles annually. It is unclear how many, if any, automated vehicles may apply for registration in Maryland in fiscal 2015 and the following several fiscal years given the experimental nature of such vehicles at this time. To the extent that a significant number of automated vehicles are titled and registered in Maryland under the bill in some future fiscal year, the revenue impact may be more significant.

Similarly, to the extent that the number of automated vehicles registered in Maryland increases in future years, TTF expenditures increase minimally for additional plate production and postage costs. Unless and until the number of such vehicles increases significantly, it is assumed that MVA can handle the additional transactions with existing personnel.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of State Police, Maryland Department of Transportation, National Conference of State Legislatures, Department of Legislative Services

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