

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 682 (Senators Feldman and Rosapepe)
Judicial Proceedings

**Electric Vehicles - Use of High Occupancy Vehicle (HOV) Lanes - Reciprocity
With Virginia**

This bill authorizes electric vehicles registered in Virginia that qualify to use high occupancy vehicle (HOV) lanes in Virginia to also use HOV lanes in Maryland. The bill authorizes the State Highway Administration (SHA) to limit the number of electric vehicles allowed to use HOV lanes if necessary to prevent unacceptable degradation of the lanes and requires SHA to adopt regulations to implement the bill.

The bill is contingent on passage of similar reciprocal legislation in Virginia.

Fiscal Summary

State Effect: Transportation Trust Fund expenditures increase minimally in whichever year the bill takes effect for SHA to produce and install new signs reflecting the bill's authorization. The regulatory development work required by the bill and any enforcement of the bill are assumed to be handled with existing resources.

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

Small Business Effect: None.

Analysis

Current Law: HOV lanes are authorized under federal law and control access to designated lanes on federal highways. HOV lanes are located on two highways in Maryland: I-270, north of the Capital Beltway; and US 50, east of the Capital Beltway.

Chapters 491 and 492 of 2010 authorized plug-in vehicles with a State permit to use HOV lanes in Maryland until September 30, 2013, and Chapters 64 and 65 of 2013 extended by four years the authorization for such vehicles to use HOV lanes. Additionally, Chapter 6 of 2014 specifically prohibits an unauthorized person from driving a vehicle in an HOV lane, which assists SHA and the Motor Vehicle Administration (MVA) in studying HOV lane use and enforcement. MVA issues a Plug-in-Electric HOV Permit for no fee.

In Virginia, a vehicle that displays “clean fuel license plates” may use HOV lanes regardless of the number of passengers. Electric vehicles are eligible to receive clean fuel license plates, and the Commonwealth provides a list, by year, of all qualifying vehicles online. Vehicles registered in Maryland are not eligible for clean fuel license plates and, therefore, are not eligible to use HOV lanes solely on the basis of being an electric vehicle.

The Department of Legislative Services advises that it is not aware of any similar reciprocal legislation pending before the Virginia General Assembly as of February 13, 2015.

Background: Plug-in vehicles, which include hybrid-electric vehicles (*e.g.*, the Chevrolet Volt) and vehicles without gasoline-powered motors (*e.g.*, the Nissan Leaf and Tesla Model S), experienced a recent resurgence in popularity that has led to commercialization of more than two dozen vehicle models from major manufacturers and from Tesla. Although plug-in electric vehicles represent a small percentage of total vehicle sales, the rate of growth in sales for these vehicles has generally been significant.

According to data from MVA and the Maryland Electric Vehicle Infrastructure Council (EVIC), only 1 electric vehicle was registered in Maryland in fiscal 2010, 72 vehicles were registered in fiscal 2011, and 2,597 vehicles were registered in fiscal 2012. And although the number of vehicles newly registered subsequently dropped sharply in fiscal 2013 (with 2,727 total registered vehicles), the sharp increase continued in fiscal 2014 and the first half of fiscal 2015; according to EVIC data, as of December 1, 2014, there were 5,544 electric vehicles registered in Maryland. For context, this is only about 0.01% of total registered vehicles in the State, and about 9.2% of the EVIC goal of 60,000 registered electric vehicles in Maryland by 2020.

Chapters 400 and 401 of 2011 established EVIC and required it to develop a plan to expand the adoption of electric vehicles and develop an infrastructure charging network. In its final report issued in December 2012, the council issued several recommendations, including (1) extending the council through June 2015; (2) increasing the amount of zero-emission State fleet vehicle purchases to 10% by 2020 and at least 25% by 2025; (3) establishing a grant program for electric vehicle support equipment installation and procurement of transaction management software for multi-unit dwellings; and (4) extending the recharging equipment tax credit through December 2016 and the qualified electric vehicle excise tax credit through July 1, 2016. Chapters 359 and 360 of

2014 accomplished the final of these recommendations by extending the termination date of the tax credit program through fiscal 2017, altering the value of the tax credits, and replacing the electric vehicle recharging equipment income tax credit with a rebate program.

The January 1, 2015 EVIC interim report contained two recommendations for future legislation: (1) establishing HOV lane reciprocity with Virginia; and (2) prohibiting homeowners' associations, condominium associations, and landlords from prohibiting or unreasonably restricting the installation of charging equipment by residents in such developments.

The Maryland Clean Cars Act of 2007 requires Maryland to adopt a Zero Emissions Vehicle program applicable to vehicles beginning in model year 2011. State regulations require manufacturers to comply with California Zero Emission Vehicle Requirements, which generally rely on the use of a system of credits to ensure that a sufficient number of low- and zero-emissions vehicles are sold.

Additional Information

Prior Introductions: HB 683 of 2012 received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Maryland Electric Vehicle Infrastructure Council, Virginia Department of Transportation, Department of Legislative Services

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