

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 480 (Delegate Malone)
Environmental Matters

Motor Vehicles - Medium Speed Vehicles - Requirements and Prohibitions

This bill defines a “medium speed vehicle” (MSV), provides for its registration under specified procedures, requires it to be equipped with a standard emblem designating it as a “reduced speed vehicle,” and restricts the vehicle’s use to highways with specified speed limits.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF), general fund, and other special fund revenues may increase minimally beginning in FY 2011 due to a slight increase in the collection of vehicle registration fees and any additional violations of the Maryland Vehicle Law. Expenditures are unaffected – assuming the number of MSVs registered is minimal and assuming any necessary computer reprogramming by the Motor Vehicle Administration (MVA) can be handled with existing resources.

Local Effect: Local government operations and finances are not materially affected.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: A “medium speed vehicle” is defined as a (Class A) passenger vehicle, (Class D) motorcycle, or a (Class M) multipurpose vehicle with a maximum speed of at least 25 miles per hour, but less than 55 miles per hour.

The bill requires a dealer who sells an MSV to obtain the buyer’s registration application, collect the registration fee, and transmit the vehicle’s registration through the MVA

Electronic Registration and Titling (ERT) system within 30 days of the date of delivery of the vehicle.

An MSV may only be driven on highways with a speed limit that is at least five miles per hour less than the MSV's maximum speed capability. The dealer of an MSV must inform the buyer of this restriction and must affix a standard "reduced speed vehicle" emblem to the MSV being sold, which must remain affixed to the vehicle if it is to travel on highways. The bill specifies the design and placement requirements for the emblem.

Current Law: MSVs are not defined or regulated in current law. However, a low speed vehicle (LSV) is defined as a four-wheeled electric vehicle with a maximum speed capability of between 20 and 25 miles per hour. A person may not drive an LSV (1) on a highway where the posted maximum speed limit exceeds 30 miles per hour; (2) on any expressway or other controlled access highway with a sign prohibiting LSVs; (3) on a highway where LSVs are prohibited by county or municipal ordinance; or (4) across a highway where the posted maximum speed exceeds 45 miles per hour, except at an intersection controlled by a traffic control signal or with a stop sign at each approach to the intersection. MVA has adopted regulatory restrictions and safety standards for LSVs.

Background: In 1998, the National Highway Traffic Safety Administration (NHTSA) issued a final rule on safety standards for LSVs. NHTSA noted the growing public interest in using golf carts and neighborhood electric vehicles for short shopping trips and other recreational purposes, primarily within retirement or other planned communities. LSVs have gained popularity because they are often low- or zero-emission vehicles and are relatively quiet, low-cost, and energy efficient. Traditional golf carts usually have a top speed of 15 miles per hour; LSVs have been defined in many states, including Maryland, as achieving a top speed of 25 miles per hour. In the face of some deaths and serious injuries, NHTSA safety standards now require that LSVs be equipped with, among other safety features, headlamps, turn signals, parking brakes, rearview mirrors, windshields, seat belts, and vehicle identification numbers.

MSVs, like some LSVs, are sometimes called neighborhood electric vehicles. This group of vehicles is generally regarded as appropriate for communities that accommodate slow speed traffic. In fact, some golf club and retirement communities are designed to encourage their use. For some vehicle models there is no difference between an LSV and an MSV except for the speed restriction for which the vehicle is set. But unlike LSVs, MSVs are not recognized under federal transportation regulations.

NHTSA has denied several petitions to create a new class of vehicle along with a unique set of safety standards for MSVs. Most recently, in September 2008 NHTSA denied the petition of three MSV manufacturers on the ground that MSVs are capable of being driven on roads with greater speed limits and in situations of higher risk than LSVs, and

as such should not possess lesser safety standards than passenger vehicles. Nevertheless, several states have proceeded to establish MSVs as a separate vehicle class with speed and other restrictions not applicable to either LSVs or passenger vehicles. According to the Insurance Institute for Highway Safety, as of February 2010, eight states allow the use of MSVs on state roads: five states authorize their use on highways with speed limits up to 45 miles per hour; one state authorizes use with speed limits up to 40 miles per hour; and two states authorize use with speed limits up to 35 miles per hour.

State Fiscal Effect: In fiscal 2007 and 2008, there were only seven violations of the Maryland Vehicle Law related to LSVs, with less than 50 such vehicles registered in Maryland by the end of calendar 2008. Legislative Services advises that, because MSVs are not currently defined, the number of MSVs in the State cannot be determined. However, because MSVs are similar to LSVs, and because some MSVs are in fact LSVs only with less stringent speed restrictions, there are likely a similar number of MSVs in the State as LSVs.

Accordingly, additional general fund, TTF, and other special fund revenues are anticipated to be negligible in fiscal 2011. However, to the extent that the market for MSVs grows substantially as a result of the bill or external factors affecting demand, revenues may increase, potentially significantly, in future years. Consequently, TTF expenditures may also increase in future years for additional personnel, equipment, and contractual costs to handle a significant number of transactions at MVA.

Additional Information

Prior Introductions: None.

Cross File: SB 344 (Senator Glassman) - Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of State Police, Insurance Institute for Highway Safety, National Highway Traffic Safety Administration, Department of Legislative Services

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