

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 344

(Senator Glassman)

Judicial Proceedings

Environmental Matters

Motor Vehicles - Limited Speed Vehicles - Requirements and Prohibitions

This bill prohibits the sale of a passenger or multipurpose vehicle (as defined in the Maryland Vehicle Law) that is designed with a maximum speed of between 25 and 55 miles per hour unless equipped with a standard emblem designating it as a “limited speed vehicle.” A dealer must inform the buyer of a limited speed vehicle that it may only be driven on highways in which the speed limit is at least five miles per hour less than the vehicle’s maximum speed. A person may not drive a Class A (passenger) or Class M (multipurpose) vehicle on a highway if the maximum speed capability of the vehicle does not exceed the speed limit by at least five miles per hour.

Fiscal Summary

State Effect: General fund and Transportation Trust Fund revenues may increase minimally due to potential additional violations under the bill. A violation of the Maryland Vehicle Law is a misdemeanor subject to a penalty of up to \$500. In addition, a dealer in violation of the Maryland Vehicle Law’s provisions regulating the sale of vehicles may be subject to suspension or revocation of the dealer’s license, or an administrative fine of up to \$1,000.

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

Small Business Effect: Potential minimal.

Analysis

Current Law: Limited speed vehicles with maximum speed capabilities in the range specified by the bill are not currently regulated by State 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. The Motor Vehicle Administration 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.

Limited speed vehicles, like LSVs and medium speed vehicles 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. There is often no difference between an LSV and other limited speed vehicles except for the speed restriction for which the vehicle is set. But LSVs are the only type of limited speed vehicle specifically 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 other types of limited speed vehicles, such as medium speed vehicles. Most recently, in September 2008 NHTSA denied the petition of three limited speed vehicle manufacturers on the ground that they 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 medium speed vehicles 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 medium speed vehicles 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 limited speed vehicles are not currently defined, the number of such vehicles in the State cannot be determined. However, because limited speed vehicles are generally similar to LSVs, and some are in fact LSVs only with less stringent speed restrictions, a similar number of such vehicles is likely in the State. Therefore, any additional penalty revenue under the bill is likely to be negligible

Additional Information

Prior Introductions: None.

Cross File: HB 480 (Delegate Malone) - Environmental Matters.

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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