

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 123

(Delegate Fraser-Hidalgo)

Environment and Transportation

Judicial Proceedings

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Vehicle Laws – HOV Lanes – Plug-In Electric Drive Vehicles

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This emergency bill reestablishes the authorization for any plug-in electric drive vehicle, for which a permit has been applied for and obtained from the Motor Vehicle Administration (MVA), to use all high-occupancy vehicle (HOV) lanes at all times regardless of the number of passengers in the vehicle. MVA is required to charge a fee, which may not exceed \$20, for issuing a permit. By January 1 of each year, MVA and the State Highway Administration (SHA) must report to the Governor and the General Assembly on the effect of the use of plug-in electric drive vehicle permits on the operation of HOV lanes in Maryland. **The bill terminates September 30, 2025.**

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Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) revenues increase through fiscal 2026 from permit fees in accordance with the fee established by MVA and the number of permits issued. TTF expenditures increase minimally through fiscal 2026 for the purchase of HOV decals. MVA can implement the bill’s reporting requirement and any programming needed to reinstate the availability of HOV permits with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The bill applies to a plug-in electric drive vehicle with a maximum speed capability of at least 65 miles per hour. MVA, SHA, and the Department of State Police may design a permit to designate a vehicle as a plug-in electric drive vehicle authorized to use an HOV lane. On the recommendation of SHA, MVA may limit the number of permits issued to ensure HOV lane operations are not degraded to an unacceptable level.

**Current Law:** The use of HOV lanes in Maryland is restricted by traffic control devices during specified times to vehicles carrying at least a specified number of occupants. Current law does not exempt plug-in electric drive vehicles from the minimum occupancy requirements to use HOV lanes.

However, as recently as September 30, 2022, plug-in electric drive vehicles with valid permits could use HOV lanes at all times regardless of the number of passengers they were transporting. The authorization for plug-in vehicles to use HOV lanes was first established by Chapters 491 and 492 of 2010. The initial authorization was set to terminate on September 30, 2013, but subsequent legislation applied the authorization specifically to plug-in electric drive vehicles, among other things, and extended the termination date multiple times until the authorization officially lapsed on September 30, 2022.

A “plug-in electric drive vehicle” means a motor vehicle that:

- is made by a manufacturer;
- is manufactured primarily for use on public streets, roads, and highways;
- is rated at not more than 8,500 pounds unloaded gross vehicle weight;
- has a maximum speed capability of at least 55 miles per hour; and
- is propelled to a significant extent by an electric motor that draws electricity from a battery that (1) has a capacity of not less than 4 kilowatt-hours for 4-wheeled motor vehicles and not less than 2.5 kilowatt-hours for 2-wheeled or 3-wheeled motor vehicles and (2) is capable of being recharged from an external source of electricity.

A vehicle that meets these qualifications but was modified from its original manufacturer specifications is also a plug-in electric drive vehicle.

**State Revenues:** The bill’s effect on TTF revenues cannot be reliably estimated at this time because MVA has not finalized the amount of the fee it will charge for a permit issued under the bill. However, the maximum fee authorized under the bill is \$20, and as discussed below, MVA anticipates that it will issue approximately 19,000 HOV permits by September 30, 2025. Therefore, *total* TTF revenues through fiscal 2026 could be as much as \$380,000 (if MVA charges the maximum \$20 fee).

From 2018 to 2022, a total of 22,647 HOV permits were issued by MVA to plug-in electric drive vehicle owners. Because the number of plug-in electric drive vehicles in the State has grown significantly in recent years and will continue to increase, MVA estimates that it will issue nearly 19,000 new HOV permits through September 30, 2025.

**State Expenditures:** When MVA approves a person's application for an HOV permit, it must issue an HOV decal to the person to display in their vehicle. According to MVA, it can purchase HOV decals in 1,000-unit increments, at a cost of \$1.38 per unit. As discussed above, MVA anticipates that it will issue approximately 19,000 HOV permits by September 30, 2025. Therefore, *total* TTF expenditures to procure HOV decals are not expected to exceed \$26,220 through September 30, 2025.

**Additional Comments:** As of December 2022, MVA advises that there were 62,744 registered plug-in electric drive vehicles in the State, comprised of 41,560 plug-in electric vehicles and 21,184 plug-in hybrid electric vehicles. According to MVA, there was a 12% increase in registrations of plug-in electric drive vehicles during just the final three months of 2022.

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### Additional Information

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Department of State Police; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2023  
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