

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB342

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Plum

3. Committee: House Transportation

4. Title: **High-occupancy vehicle (HOV) lanes; use by vehicles bearing special fuel vehicle license plates.**

5. Summary: The proposed legislation would extend the occupancy exemption on high occupancy vehicle (HOV) lanes for vehicles bearing clean special fuel vehicle license plates to July 1, 2012. The current occupancy exemption is scheduled to sunset July 1, 2008. The exemption authorizes such vehicles to use HOV lanes without meeting the required number of passengers.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The Federal Highway Administration (FHWA) requires states which allow occupancy exemptions for low emission and energy efficient vehicles on HOV lanes to meet several requirements, including performance monitoring. FHWA also mandates that states implement steps to improve degraded conditions in the HOV lanes. These requirements have a financial cost on the Virginia Department of Transportation (VDOT). The cost is difficult to estimate and depends on the corrective actions taken and the extent of the degraded condition.

During the 2006 session of the General Assembly, House Bill 1248 was passed, which directed a portion of each clean special fuel license plate registration, after the first thousand issued, to the Virginia State Police for HOV lane enforcement. In FY 2007, the State Police received \$203,625 from the registrations. Many of the vehicles in Virginia registered as clean special fuel vehicles are hybrid electric vehicles owned by Northern Virginia residents who utilize the HOV lanes. If the HOV lane exemption for clean special fuel vehicles ended, there will likely be a decrease in the number of special fuel license plates issued. The amount of funding provided to the State Police may decrease as a result.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Virginia State Police

10. Technical Amendment Necessary: None.

11. Other Comments: Due to the difference in the federal statute and state statute as to what type of vehicles are considered clean fuel vehicles, the Virginia clean special fuel vehicle exemption program is not in compliance with federal law, and the Commonwealth may be subject to federal sanctions.

Date: 1/21/2008 dpb/smc

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cc: Secretary of Transportation
Secretary of Public Safety