

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**

Senate Bill 64 (Chair, Education, Health, and Environmental Affairs  
Committee)(By Request - Departmental - Transportation)  
Education, Health, and Environmental Affairs Environmental Matters

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**Controlled Hazardous Substance Vehicles - Display of Certificates**

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This departmental bill requires a controlled hazardous substance hauler to carry the vehicle certificate in the cab of the vehicle rather than display the certificate prominently on the vehicle or affix it to the left door.

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**Fiscal Summary**

**State Effect:** Federal fund revenues are fully maintained in FY 2014 and subsequent years as the State Highway Administration continues to qualify for existing federal transportation grants that it may no longer qualify for in the absence of the bill. While the exact amount of federal grant funds to be received in FY 2014 and future years cannot be reliably estimated, it is likely to be similar to the approximately \$2.8 million expected to be received from the 2013 federal grant. Special fund expenditures decrease by about \$1,500 annually assuming the Maryland Department of the Environment (MDE) issues paper certificates rather than stickers to controlled hazardous substance haulers.

**Local Effect:** Federal fund revenues for local law enforcement agencies are fully maintained in FY 2014 and subsequent years. While the exact amount in federal funds to be received and distributed to local governments in FY 2014 and future years cannot be reliably estimated, it may be similar to the approximately \$227,500 distributed to local governments from the \$2.8 million 2013 federal grant.

**Small Business Effect:** The Maryland Department of Transportation (MDOT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** Federal law prohibits a state from enacting or enforcing “any law, rule, regulation, standard, or other provision that requires a motor carrier to display any form of identification on or in a commercial motor vehicle other than the forms required by the U.S. Secretary of Transportation under the Code of Federal Regulations.” State law requires that a vehicle certificate be displayed prominently or affixed to the outside of the left door of the cab of a controlled hazardous substance vehicle. However, federal regulations have no such requirement.

**Background:** According to MDOT, the left door certificate requirement in the Environment Article violates federal law and could jeopardize the receipt of Federal Motor Carrier Safety Assistance Program (MCSAP) funds that the State receives annually. MDOT advises that in 2012 the Federal Motor Carrier Safety Administration ruled that New Jersey, New York, and Cook County Illinois were in violation of federal laws governing the display of decals or other forms of identification.

**State/Local Revenues:** MDOT advises that its MCSAP budget includes a combination of federal grant funds and State matching funds in a proportion of 80% federal funds to 20% State match funds. The federal funds include a base grant and generally also incentive funds and an additional special grant. In federal fiscal 2013, exclusive of State matching funds, the base grant to Maryland is expected to be about \$2.5 million, the special grant is expected to be about \$272,000, and the maximum incentive fund grant is expected to be about \$100,000, for a total of about \$2.8 million. Of this amount, \$227,500 has been budgeted for distribution to several local governments. MDOT further advises that these amounts do not vary significantly from year to year. Thus, the bill will ensure that roughly \$2.8 million in federal funds will be maintained for distribution to the State and local governments in fiscal 2014 and future years.

**State Expenditures:** According to MDE, there are about 3,000 controlled hazardous substance haulers in Maryland. MDE advises that each sticker issued to a hauler costs about \$1, whereas each paper certificate will cost \$0.50. Thus, MDE will realize savings of about \$1,500 for its Controlled Hazardous Substance Fund.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - January 11, 2013  
mc/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Environment – Controlled Hazardous Substance Vehicle Certificate  
Display - Elimination

BILL NUMBER: SB 64

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.