

Department of Legislative Services  
 Maryland General Assembly  
 2016 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 1328

(Delegate Lam, *et al.*)

Environment and Transportation

Education, Health, and Environmental Affairs

**Environment - Lead and Mercury Wheel Weights - Prohibited**

This bill (1) phases out the sale and use of lead and mercury wheel weights in the State and (2) requires the State to ensure its vehicle fleet is free of lead and mercury wheel weights by January 1, 2018. The bill also requires that lead and mercury wheel weights that are removed and collected must be properly recycled. Finally, the bill establishes provisions relating to enforcement.

**Fiscal Summary**

**State Effect:** Special fund expenditures increase by \$84,500 in FY 2018 for the Maryland Department of the Environment (MDE) to enforce the bill, which reflects a January 1, 2018 implementation date for enforcement activities. Future year expenditures reflect annualization and inflation. State expenditures (all funds) may increase minimally beginning in FY 2018 to retrofit fleet vehicles and recycle wheel weights. The bill's penalty provision is not anticipated to materially affect State revenues.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0	84,500	90,600	93,300	96,100
GF/SF Exp.	0	-	-	-	-
Net Effect	\$0	(\$84,500)	(\$90,600)	(\$93,300)	(\$96,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

**Local Effect:** Local expenditures may increase minimally beginning in FY 2018 to retrofit fleet vehicles and recycle wheel weights. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** The bill prohibits a motor vehicle or tire manufacturer, wholesaler, or retailer, motor vehicle repair facility, or any other person who installs wheel weights from using or selling an externally attached lead or mercury wheel weight composed of more than 0.1% lead or mercury by weight during the first tire installation, replacement, or balancing. This prohibition applies to all used vehicles registered in the State beginning January 1, 2018, and for all new vehicles registered in the State beginning January 1, 2019.

MDE must send a warning notice to a person that violates the bill's provisions. If the violation continues for one year after receipt of MDE's warning notice, the person is subject to a civil fine of up to \$1,000 for each subsequent offense after the one-year warning period.

**Current Law:** Lead is currently regulated under MDE's Lead Poisoning Prevention Program. However, that program primarily addresses the prevention of lead poisoning in children through regulation of lead-containing children's products and lead paint in homes.

MDE's mercury program relates primarily to mercury-added products (dyes or pigments, electric switches, fluorescent lamps), thermostats, mercury fever thermometers, mercuric oxide batteries, the use of mercury in schools, and public outreach and education. Chapter 494 of 2004 established prohibitions and requirements relating to the sale and reclamation or destination of mercury-added products. In general, unless a mercury-added product is labeled, a manufacturer or wholesaler may not sell the product at retail in the State or to a retailer in the State. Unless properly labeled, a retailer may not knowingly sell a new mercury-added product in the State. Chapter 56 of 2006 prohibits a marketer from selling or providing a thermostat containing mercury to a consumer.

**Background:** Wheel weights are attached to the rim of a vehicle's wheels in order to provide balance to the wheel and tire. Wheel weights may contain lead or mercury, but mercury-free and lead-free alternatives exist, including steel and zinc. Most new vehicles are now delivered with wheel-balancing products other than lead or mercury, reflecting industry change from a 2005 European ban, a voluntary phase-out effort by the U.S. tire and automobile manufacturers with encouragement from the U.S. Environmental Protection Agency, and the passage of an increasing number of state laws.

According to MDE, several states have banned lead and/or mercury wheel weights, including California, Illinois, Maine, Minnesota, New York, Vermont, and Washington.

**State Expenditures:** Special fund expenditures increase by \$84,510 in fiscal 2018, which reflects the fact that the bill phases out the sale and use of lead and mercury wheel weights beginning January 1, 2018. This estimate reflects the cost of hiring one environmental

compliance specialist within MDE to conduct inspections and otherwise enforce the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses, including lead and mercury testing supplies. The information and assumptions used to calculate this estimate are stated below:

- MDE does not currently regulate lead or mercury wheel weights;
- despite the fact that new vehicles are generally delivered without lead or mercury wheel weights, lead and mercury wheel weights may be used to balance tires as they are replaced;
- 2,447 scrap tire collection facilities are licensed by MDE, all of whom may install or remove wheel weights;
- every tire wholesaler, retailer, and dealer may handle affected wheel weights;
- it is likely that thousands of entities are affected by the bill; and
- MDE’s existing staff cannot absorb the additional enforcement workload.

Position	1
Salary and Fringe Benefits	\$31,364
Vehicle Purchase/Operations	29,990
Other Start-up Costs and Operating Expenses	<u>23,156</u>
<b>FY 2018 MDE Enforcement Expenditures</b>	<b>\$84,510</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

State expenditures (all funds) may increase minimally for various State agencies to replace wheel weights on certain vehicles and to properly recycle affected wheel weights that are removed. Although the Maryland Department of Transportation advises that steel wheel weights are 35% cheaper than lead wheel weights, lead wheel weights stay on longer and are easier to install because the material is softer.

**Local Expenditures:** Expenditures for local governments may increase minimally to replace wheel weights on affected local government fleet vehicles and to properly recycle affected wheel weights that are removed.

### Additional Information

**Prior Introductions:** HB 18 of 2010, a similar bill, received a hearing in the House Environmental Matters Committee but was subsequently withdrawn. HB 763 of 2009,

another similar bill, received an unfavorable report from the House Environmental Matters Committee.

**Cross File:** None.

**Information Source(s):** Maryland Department of the Environment, Maryland Department of Transportation, Department of Budget and Management, Department of Legislative Services

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