

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 300 (Washington County Delegation)
Environmental Matters

Referred to Judicial Proceedings

Vehicle Emissions Inspection Program -Washington County

This amended bill prohibits the enhanced Vehicle Emissions Inspection Program (VEIP) from being required in Washington County.

The bill is effective June 1, 1997.

Fiscal Summary

State Effect: Potential indeterminate effect on expenditures. Revenues would not be affected.

Local Effect: Potential indeterminate decrease in expenditures. Revenues would not be affected.

Fiscal Analysis

Background: The Vehicle Emissions Inspection Program (VEIP) was enacted in 1979 to comply with the Federal Clean Air Act. Implementation was postponed, but was later authorized to begin by January 1984 following the threat of federal sanctions. The State awarded a contract to Systems Control, Inc. (SCI) in 1981; this contract was modified to accommodate the delays in the program and was extended through 1994.

In 1990 the Federal Clean Air Act Amendments were adopted, requiring more stringent air quality standards. Since Maryland had an existing contract with SCI, the Environmental Protection Agency (EPA) allowed Maryland an extension until January 1, 1995 to implement an enhanced program. This new program involved more comprehensive test procedures, and increased the counties affected from 8 to 14. In July 1993 the Board of Public Works

awarded a \$96.9 million contract to construct and operate the new testing system to MARTA Technologies, Inc. The operating contract consists of a three-year base period with two one-year options. If the options are exercised, the operating contract period would run from January 1995 to December 1999.

However, in 1994 public opposition to the VEIP program grew, and several states suspended plans to implement enhanced emissions testing programs. In Maryland, Chapter 489 of 1995 delayed the implementation date of the enhanced VEIP program to June 1, 1996. In addition, delays by MARTA in implementing the VEIP program delayed all testing from January 1995 until June 1995. Subsequent contract renegotiations with MARTA lowered the contract award by approximately \$1 million.

State Effect: Under the bill's provisions it is assumed that a tailpipe emissions test would still occur in Washington County, but the enhanced VEIP program with the I/M 240 test would be prohibited. The bill does not alter the test fee for the emissions test, so revenues would not be affected. However, some operating cost savings could be realized due to the prohibition of the I/M 240 test. Since the program is administered by MARTA, any estimate of total savings cannot be determined until after contract renegotiations. It should be noted that changes to the MARTA contract could potentially lead to liability expenditures for the State.

The federal Clean Air Act requires all metropolitan statistical areas with a population of 100,000 or more in the Ozone Transport Region to implement an enhanced VEIP program. MDE advises that Washington County meets these requirements, as it is in the Ozone Transport Region despite being in attainment with National Ambient Air Quality Standards for ozone. Due to recent federal flexibility regarding Clean Air Act requirements, the threat of federal monetary sanctions for noncompliance has diminished. However, because the implementation of enhanced VEIP in Washington County was part of Maryland's 15% Volatile Organic Compounds (VOC) Emissions Reduction Plan, the implementation of this bill could cause the State to fall short of the required 15% reductions. The Maryland Department of the Environment (MDE) may attempt to put controls on other pollution sources to make up this shortfall.

Local Effect: Since local governments own fleets of cars, the prohibition of a more stringent emissions test could lower Washington County's expenditures for repairs by an indeterminate amount.

Information Source(s): Maryland Department of the Environment, Maryland Department of Transportation, Department of Fiscal Services

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