

Department of Legislative Services  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 752 (Senator Kasemever)

Judicial Proceedings

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**Vehicle Laws - Vehicle Emissions Inspection Program - Exemption**

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This bill exempts any vehicle driven less than 5,000 miles per year from the inspection and testing requirements of the Vehicle Emissions Inspection Program (VEIP), unless otherwise prohibited by federal law.

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**Fiscal Summary**

**State Effect:** Special fund revenue loss of \$279,000 in FY 1999 and \$372,000 annually thereafter. Expenditures could increase by \$25,000 in FY 1999 only. Potential indeterminate increase in computer programming costs. Potential indeterminate loss of federal funds.

**Local Effect:** Minimal effect on local government finances.

**Small Business Effect:** Minimal.

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**Fiscal Analysis**

**State Effect:** Approximately 1.4 million vehicles are required to submit to the VEIP test annually. Current law exempts from the VEIP test residents who are over 70 and who drive less than 5,000 miles annually. The Motor Vehicle Administration (MVA) estimates that it will grant approximately 60,000 of these exemptions in 1998. Based on information provided by the U.S. Department of Transportation, the MVA estimates that an additional 31,000 vehicles in the State could qualify for the exemption provided by the bill. This could result in a revenue loss of \$279,000 in fiscal 1999, due to the bill's October 1 effective date, and \$372,000 annually thereafter.

The MVA could also incur an indeterminate increase in enforcement costs. Currently, senior citizens are required to file and sign a legal document stating that they have met the necessary requirements for an exemption. If this system proves inadequate to handle the increased

number of vehicle owners seeking an exemption, under this bill, the MVA would have to develop a new method of monitoring compliance. At this time, any costs associated with a new method of compliance cannot be reliably estimated.

The MVA advises that computer programming expenditures could increase by an estimated \$20,000 to modify the computer programs as proposed in this legislation. The Department of Legislative Services (DLS) advises that if other legislation is passed requiring computer reprogramming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the MVA system. Further, DLS advises that the increased computer expenditure is simply an estimate and the MVA may be able to handle the changes with either less money than it estimates or existing resources.

The MVA also estimates a one-time expenditure increase of approximately \$25,000 for revising VEIP forms and brochures that are mailed to vehicle owners to include the new exemption information.

The State could also realize an indeterminate loss of federal funds if exempting vehicles driven less than 5,000 miles a year from VEIP testing results in not attaining the pollution reduction goals established in the State Implementation Plan (SIP) filed with the U.S. Environmental Protection Agency. However, at this time any estimate related to achieving pollution reduction goals would be speculative at best and cannot be made with any certainty. Therefore, any potential reduction in federal funds cannot be reliably projected at this time.

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**Information Source(s):** Maryland Department of the Environment; Maryland Department of Transportation (Motor Vehicle Administration); Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 1998

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