

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 434 (Senators Moonev and Munson)

Judicial Proceedings

Vehicle Emissions Inspection Program - Washington County

This bill exempts Washington County from the I/M 240 (dynamometer) emissions test. The Motor Vehicle Administration (MVA), in consultation with the Maryland Department of the Environment (MDE), may design and implement an incentive program to persuade vehicle owners in Washington County to voluntarily submit to the dynamometer test.

This bill takes effect June 1, 1999.

Fiscal Summary

State Effect: Potential minimal expenditure increase. Potential indeterminate loss of federal funds.

Local Effect: Minimal impact on Washington County.

Small Business Effect: Minimal.

Fiscal Analysis

Background: In response to requirements of the federal Clean Air Act (CAA), Maryland has operated a vehicle emissions inspection and maintenance (I/M) program in various parts of the State since 1984. As amended in 1990, the CAA requires all areas of the country to achieve specific air quality standards for ozone, and provides penalties for states failing to achieve the standards. Penalties include limits on new industries, loss of federal highway funds, and imposition of a federal implementation plan.

Maryland's Vehicle Emissions Inspection Program (VEIP) was reauthorized in 1991 through legislation requiring the MVA and the MDE to establish an expanded and "enhanced" I/M testing program in compliance with the 1990 Amendments to the Clean Air Act. Until June 1, 1997, the mandatory I/M test for most vehicles was the same basic tailpipe test

and visual inspection that vehicles had been undergoing for several years. According to the CAA, the "enhanced" I/M must be implemented in extreme, serious, and severe ozone nonattainment areas and certain metropolitan statistical areas (MSA) to reduce VOCs (volatile organic compounds) and NOx (nitrogen oxide) emissions (ozone precursors). Beginning June 1, 1997, the State had the authority to impose an "enhanced" I/M test which became mandatory on October 1, 1997. Since 1995 (Chapter 489), the "enhanced" I/M test has been mandatory for State vehicles and, to the extent allowable by federal law, federal vehicles.

As of October 1, 1997, model year vehicles 1984 and later have to undergo a biennial "dynamometer test." The test is performed by an inspection technician using the vehicle's gas pedal to increase and decrease the "speed" of the vehicle to simulate driving conditions as the tires rotate on a treadmill (the rollers of the dynamometer) and emissions from the vehicle are monitored by a computer running an I/M 240 driving simulation.

MDE submitted a comprehensive VEIP implementation program (VEIP SIP) to the Environmental Protection Agency (EPA) that covered all applicable areas: Baltimore MSA, Washington D.C. MSA, Cecil County (Philadelphia-Wilmington-Trenton MSA), and the Hagerstown MSA. EPA issued final conditional approval for the VEIP SIP on July 31, 1997.

State Effect: Washington County is currently unclassified in terms of the CAA's Ozone Nonattainment Classification. However, the CAA requires mandatory dynamometer testing in the county because the population of Hagerstown exceeds 100,000. If dynamometer testing is eliminated as a result of the bill, it is assumed that Washington County residents would still be required to submit their vehicles to a tailpipe emissions test. The current cost of this test is \$12 (the same as the dynamometer test). It is possible that it could be raised to \$14 sometime in the next several years. Therefore, there would not be a net revenue loss associated with eliminating the dynamometer test requirement.

There are approximately 70,000 vehicles registered in Washington County. The Department of Legislative Services (DLS) advises that the MVA can inform Washington County residents of the new testing requirements with existing resources since it already mails various renewal notifications to residents. The MVA estimates that expenditures could increase by \$10,000 in fiscal 2000 as a result of printing and mailing materials to Washington County residents informing them of the new testing requirements and of the opportunity to submit to voluntary dynamometer testing.

The MVA advises that computer programming expenditures could increase by an estimated \$20,000 to modify the computer programs as proposed in this legislation. 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 could also realize an indeterminate minimal expenditure increase as a result of establishing an incentive program to encourage Washington County residents to submit to voluntary dynamometer testing. Until an incentive plan is developed for Washington County, any such increase cannot be reliably estimated. The MVA advises that an incentive program offering vehicle owners a \$2 discount for voluntarily submitting their vehicles to the dynamometer test was in existence prior to the test becoming mandatory in October 1997. That incentive program is no longer in place.

In addition, it is possible that exempting Washington County from enhanced VEIP requirements could cause the State's VEIP to eventually fail to meet the federal pollution reduction goals established in the SIP and required by the CAA as mobile sources represent a significant proportion of VOC emissions in the State. Failure to comply with the CAA could result in the loss of an indeterminate amount of federal grant funds, including air grant funds and highway funds. In addition, the EPA could impose a federal implementation plan (FIP) which could be more stringent than the SIP in order to bring Maryland into compliance with air pollution reduction standards required by the CAA or require the State maintenance plan to possibly include other controls on emissions sources to make up for the loss of the enhanced VEIP emissions reductions.

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

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