

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 1038 (Delegate Mohorovic)

Environmental Matters

**Vehicle Emissions Inspection Program - Exemptions - Disabled Individuals
and Seniors**

This bill provides that a motor vehicle for which a special disabled person's registration number and special registration plates have been issued is exempt from the mandatory inspection and testing requirements of the vehicle emissions inspection program (VEIP) if: (1) the owner of the vehicle meets specified disability requirements; (2) the vehicle is driven less than 5,000 miles annually; and (3) the exemption is not otherwise prohibited by federal law.

In order to qualify for this exemption, all owners of the vehicle must certify: (1) that the owner of the vehicle meets specified disability requirements; (2) that the motor vehicle has been issued a special disabled person's registration number and special registration plates; (3) that the motor vehicle is driven less than 5,000 miles annually; and (4) the current odometer reading.

The bill also provides that a motor vehicle owned by an individual who is at least 70 years of age is exempt from the mandatory inspection and testing requirements of the vehicle emissions inspection program (VEIP) if: (1) all the owners of the vehicle are at least 70 years of age; (2) the vehicle is driven less than 5,000 miles annually; and (3) the exemption is not otherwise prohibited by federal law.

In order to qualify for this exemption, all owners of the vehicle must certify: (1) that all the owners of the vehicle are at least 70 years of age; (2) that the motor vehicle is driven less than 5,000 miles annually; and (3) the current odometer reading.

The Motor Vehicle Administration is authorized to adopt regulations to implement the provisions of the bill.

State Effect: Special fund revenue loss of \$90,000 in FY 2000 and \$120,000 annually thereafter. Special fund expenditure increase of \$70,000 in FY 2000. Out-years reflect inflation and annualization. Potential indeterminate loss of federal funds. The senior citizen exemption codifies existing regulations.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
SF Revenues	(\$90,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)
FF Revenues	-	-	-	-	-
SF Expenditures	\$70,000	\$80,500	\$82,800	\$85,200	\$87,600
Net Effect	(\$160,000)	(\$200,500)	(\$202,800)	(\$205,200)	(\$207,600)

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

Local Effect: Minimal.

Small Business Effect: Minimal.

Fiscal Analysis

State Effect: Approximately 1.4 million vehicles are required to submit to the VEIP test annually.

The Motor Vehicle Administration (MVA) reports that there are approximately 80,000 vehicles with disabled license plates and that approximately 40,000 would qualify for the exemption granted by the bill and that of these 20,000 would already be exempted as a result of the current over 70 years of age exemption. As a result, approximately 20,000 vehicles would be eligible to claim the exemption offered by the bill. This would result in a loss of \$90,000 in special fund revenue in fiscal 2000, due to the bill's October 1 effective date, and \$120,000 annually thereafter (the VEIP test fee is \$12 and the test is required every two years).

The MVA reports that special fund expenditures could increase by an estimated \$69,957 in fiscal 2000, which accounts for the bill's October 1, 1999 effective date. This estimate reflects the cost of hiring two customer service representatives to review documentation submitted by individuals seeking the exemption, recording and verifying mileage information, and preparing correspondence. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

The MVA also estimates a one-time expenditure increase of approximately \$10,000 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 with disabled license plates 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, it is assumed that due to the limited number of vehicles with handicapped license plates, this is not likely to happen and 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.

The State currently grants exemptions, authorized by regulation, from VEIP testing to vehicles owned by individuals who are at least 70 years of age and who drive 5,000 miles or less annually. As a result, the bill codifies existing regulations.

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, 1999

mld/jr

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