

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 771 (Delegate O'Donnell)

Environmental Matters

Vehicle Emissions Inspection Program - Calvert County

This bill exempts Calvert County from the I/M 240 (dynamometer) emissions test if Calvert County is reclassified as being in attainment of the applicable national ambient air quality standards, and if the U.S. Environmental Protection Agency (EPA) approves an air quality maintenance plan for the county that does not require the test. The Motor Vehicle Administration (MVA) and the Maryland Department of the Environment (MDE) may design and implement an incentive program to persuade vehicle owners in Calvert County to voluntarily submit to the dynamometer test. MDE must monitor the status of the county's classification.

The MVA and MDE must report to the Senate Judicial Proceedings Committee and House Environmental Matters Committee on any changes in the status of Calvert County's participation in the VEIP program.

This bill takes effect June 1, 2000.

Fiscal Summary

State Effect: Minimal increase in expenditures. Potential increase in computer programming costs. No effect on revenues.

Local Effect: Minimal impact on Calvert County.

Small Business Effect: Minimal.

Analysis

Current Law: Calvert County is not exempt from emissions testing under the VEIP.

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. Maryland's VEIP was reauthorized in 1991 through legislation requiring the MVA and MDE to establish an expanded and enhanced I/M testing program in compliance with the 1990 Amendments to the CAA. 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. Calvert County is included in the Washington, DC/MD/VA metropolitan statistical area and the Washington, DC/MD/VA ozone nonattainment area, which is classified as "serious" with respect to the federal standards for ozone. In 1995 and 1996, the EPA published final and proposed notices of rulemaking which could provide flexibility for implementing vehicle emissions control programs in certain nonattainment areas such as Washington and Queen Anne's counties, but not Calvert County.

Approximately 1.2 million vehicles are required to submit to the VEIP test annually. Current test fees are \$12 per vehicle, and the test is required every two years. Under current law, the MVA has the authority to increase the test fee to \$14.

State Fiscal Effect: Should the county receive reclassification, it is assumed that Calvert 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 expected that it will be raised to \$14 in the near future as a result of the new VEIP contract with Environmental Systems Product, Inc. Therefore, there would not be a net revenue loss associated with eliminating the dynamometer test requirement.

There are approximately 109,000 vehicles registered in Calvert County that must submit to VEIP tests over a two-year period. The Department of Legislative Services (DLS) advises that the MVA can inform Calvert 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 \$50,000 in fiscal 2000 as a result of printing and mailing materials to Calvert County residents informing them of the new testing requirements and of the opportunity to submit to voluntary dynamometer testing. Costs in subsequent years are estimated to be \$25,000 annually.)

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 Calvert County residents to submit to voluntary dynamometer testing. Until an incentive plan is developed for Calvert 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.

DLS advises that any expenditure increases associated with the bill cannot be reliably estimated at this time because any increases are contingent upon the EPA determining that Calvert County is in attainment of applicable ambient air quality standards. It is not known when this assessment would be made. Calvert County is currently designated as being in “serious nonattainment” and is part of a multi-state ozone transport region. EPA customarily collects data for a minimum of three years to make an accurate assessment of air quality. If the reclassification is approved, the State maintenance plan would possibly include other controls on emissions sources to make up for the loss of the enhanced VEIP emissions reductions.

Additional Information

Prior Introductions: HB 93 of 1999, HB 414 of 1998, HB 448 of 1997, and HB 1456 of 1996 were reported unfavorably by the House Environmental Matters Committee.

Cross File: None.

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

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