

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Senate Bill 10 (Senator Haines)

Judicial Proceedings

Environmental Matters

Vehicle Emissions Inspection Program - Seniors - Exemption

This bill modifies the existing exemption for the elderly under the Vehicle Emissions Inspection Program (VEIP) by providing that, in the case of a motor vehicle owned in joint names of a husband and wife, the vehicle is exempt from the scheduled mandatory inspection if: (1) either spouse is at least 70 years of age at the time of a scheduled mandatory inspection; and (2) the vehicle meets the existing qualifications required for an exemption.

This bill takes effect June 1, 2001.

Fiscal Summary

State Effect: Special fund expenditure increase of \$7,000 in FY 2001 and \$84,000 beginning in FY 2002 related to an increase in VEIP contract costs as a result of an increase in the number of vehicles that qualify for an exemption from the VEIP test and its associated fee.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	7,000	84,000	84,000	84,000	84,000
Net Effect	(\$7,000)	(\$84,000)	(\$84,000)	(\$84,000)	(\$84,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 480 of 1999 (HB 1038) 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 VEIP if: (1) all of the owners of the vehicle are at least 70 years of age; (2) the motor vehicle is being driven 5,000 miles or less annually; and (3) the exemption is not otherwise prohibited by federal law.

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

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 Motor Vehicle Administration (MVA) and the Maryland Department of Environment 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. Penalties include limits on new industries, loss of federal highway funds, and imposition of a federal implementation plan.

Approximately 1.2 million vehicles are required to submit to the VEIP test annually. Current test fees are \$14 per vehicle, and the test is required every two years. The MVA advises that it currently grants over 45,000 waivers annually.

State Expenditures: The MVA advises that under this bill, approximately 6,000 additional vehicles will qualify for an exemption from the VEIP test. Under the existing contract for VEIP, test fees are retained by the contractor and used to offset contract costs. The MVA is billed for additional contract costs, which are borne by the Transportation Trust Fund (TTF). Accordingly, special fund expenditures will increase by approximately \$84,000 annually beginning in fiscal 2002. Because the bill takes effect June 1, 2001, special fund expenditures will increase by approximately \$7,000 in fiscal 2001.

Additional Information

Prior Introductions: Identical legislation was introduced during the 2000 session as SB 81. The bill received an unfavorable report from the House Environmental Matters Committee

Cross File: None.

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

Fiscal Note History: First Reader – January 31, 2001
jm/cr

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