

**Department of Legislative Services**  
 Maryland General Assembly  
 2003 Session

**FISCAL AND POLICY NOTE**

House Bill 151 (Delegates Owings and O'Donnell)  
 Environmental Matters

**Motor Vehicles - Emissions Inspection Exemptions - Mileage Restriction**

This bill alters a requirement that a person with a disability or a person over the age of 70 must meet to be exempt from the State's Vehicle Emissions Inspection Program (VEIP). The person's vehicle must be driven 7,500 miles annually, rather than 5,000 miles.

**Fiscal Summary**

**State Effect:** Transportation Trust Fund (TTF) expenditures would increase by \$168,300 in FY 2004 due to an increase in VEIP contract costs resulting from a decrease in the number of vehicles required to be tested. Assuming a constant level of VEIP waivers are issued each year, the annual expenditure increase would be \$224,400.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	168,300	224,400	224,400	224,400	224,400
Net Effect	(\$168,300)	(\$224,400)	(\$224,400)	(\$224,400)	(\$224,400)

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** VEIP was created in 1984 to test vehicle emissions for carbon monoxide, hydrocarbons, and oxides of nitrogen to meet the standards established in the federal

Clean Air Act. All model year 1977 and newer vehicles in the State must be inspected and tested every two years; however, some vehicles are exempt, including:

- ambulances and other emergency vehicles;
- vehicles less than two years old;
- vehicles owned by individuals aged 70 and over or with certain disabilities who drive less than 5,000 miles each year;
- vehicles over 26,000 pounds;
- diesel-powered vehicles with gross vehicle weight under 10,000 pounds; and
- electric vehicles.

The fee for the biennial VEIP test is \$14 per vehicle. The Motor Vehicle Administration (MVA) and the Secretary of Environment may jointly adopt rules and regulations to exempt certain vehicles from the inspections and tests if they are consistent with federal law.

**Background:** The VEIP program was expanded in 1991 to help meet federal air quality standards under the Clean Air Act; penalties for failure to meet those standards include loss of federal highway funds, limits on new industries, and imposition of a federal implementation plan. Approximately 1.2 million vehicles are tested annually.

**State Fiscal Effect:** 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 TTF.

The MVA advises that 64,119 vehicle owners are exempted from the VEIP test because they drive fewer than 5,000 miles. Assuming that the number of people issued a waiver would increase by 50% in accordance with the 50% increase in mileage allowed under the bill, TTF expenditures would increase by \$168,313 in fiscal 2004 due to the delayed effective date and \$224,417 annually. Since the fee is paid biennially, it is assumed that half of the eligible vehicles (48,088) would be exempt in a given year.

The Maryland Department of the Environment advises that the exemption would lower the amount of emissions reductions the State needs to achieve to comply with federal law.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Transportation, Department of the Environment,  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 6, 2003  
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Analysis by: Ann Marie Maloney

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510