

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1449 (Delegate Owings) (By Request)
Environmental Matters

Vehicle Emissions Inspection Program - Exemptions - Individuals with Disabilities

This bill exempts a vehicle that has been issued a parking placard for an individual with a disability from the State Vehicle Emissions Inspection Program (VEIP) if the vehicle is driven less than 5,000 miles annually.

Fiscal Summary

State Effect: Potentially significant decrease in Transportation Trust Fund (TTF) expenditures due to an increase in VEIP contract costs resulting from fewer vehicles being tested. Annual expenditures would increase as the number of exempt vehicles grows.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: VEIP was created in 1984 to test vehicle emissions for carbon monoxide, hydrocarbons, and nitrogen oxides to meet the air quality standards established in the federal Clean Air Act (CAA). 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; and
- electric vehicles.

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

A person may apply to the MVA for a removable parking placard if the applicant, a dependent of the applicant, or any individual who depends on the applicant for transportation has a disability, as specified by law. Qualifying disabilities include severe lung disease, certain visual impairment, or lacking the ability to walk without assistance or without stopping for 200 feet. A licensed physician, chiropractor, optometrist, or podiatrist must certify the disability. An applicant may self-certify a permanent disability if it involves the loss of a limb, hand, or foot. The MVA cannot issue more than two placards to one person.

Background: The VEIP program was expanded in 1991 to help meet federal air quality standards under CAA; 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; on-board diagnostic (OBD) systems are used for newer models. The VEIP testing network consists of 87 testing lanes at 19 centralized inspection stations located in 13 counties and Baltimore City.

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 issues 311,219 placards and 81,195 disability plates – of these, about 7,600 vehicle owners with plates are exempt from VEIP testing. Most vehicle owners request two or three placards, depending on whether they also have special registration plates.

The MVA advises, and the Department of Legislative Services concurs, that the bill presents a considerable enforcement issue because the placards are issued to individuals rather than vehicles and can be transferred from one vehicle to another. A person can provide a nondisabled individual with a placard who may be able to avoid testing if the vehicle is driven less than 5,000 miles per year.

Accordingly, it is impossible to accurately estimate the potential TTF expenditure. The number of people who only use placards is not known. Assuming most persons with permanent plates have two placards and only the remaining placard holders (148,829)

would be eligible for the exemption, TTF expenditures would increase by \$97,513 annually. This estimate assumes about 9% (13,930) of the vehicles will be driven less than 5,000 miles and that half of those vehicles (6,965) would not pay the \$14 biennial fee. However, given the total number of placards issued, TTF expenditures could increase by \$203,911 annually, assuming that approximately 14,565 individuals would be exempt each year.

The Maryland Department of the Environment (MDE) advises that the exemptions under the bill would not materially affect air quality – the loss of emissions reduction of volatile organic compounds would be an estimated .02 tons per day. However, VEIP fee revenue finances MDE’s Mobile Sources Program; any moderate or significant fee revenue loss could affect program operations.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/jr

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