

Department of Legislative Services  
 Maryland General Assembly  
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1267 (Delegate V. Clagett)  
 Environmental Matters

Vehicle Emissions Inspection Program - Vehicles Subject to Testing and Inspection

This bill exempts vehicles more than 25 model years older than the current model year, from Vehicle Emissions Inspection Program (VEIP) testing.

Fiscal Summary

**State Effect:** Transportation Trust Fund (TTF) revenues could decrease \$28,700 in FY 2008 due to a reduction in vehicles being tested for VEIP. Future years reflect annualization and an increase in the number of vehicles eligible for an exemption. Potential increase in TTF expenditures in FY 2008 only for computer reprogramming costs.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
SF Revenue	(\$28,700)	(\$40,300)	(\$55,500)	(\$78,300)	(\$125,100)
SF Expenditure	-	0	0	0	0
Net Effect	(\$28,700)	(\$40,300)	(\$55,500)	(\$78,300)	(\$125,100)

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

**Local Effect:** None.

**Small Business Effect:** None.

Analysis

**Current Law:** Under VEIP, all vehicles of the 1977 model year or newer are subject to a biennial exhaust emissions test and emissions equipment and misfueling inspection. A

motor vehicle owned by an individual who has been issued a special disability registration plate or owned by an individual or individuals 70 or older are exempt from VEIP if the vehicle is driven less than 5,000 miles annually.

**State Revenues:** The Motor Vehicle Administration (MVA) advises that, during the 2003 to 2004 test cycle, there were 13,745 model year 1977 to 1981 vehicles tested by VEIP. During the 2005 to 2006 test cycle, only 6,736 of those vehicles or 49.0% were tested by VEIP. All other vehicles were probably either scrapped or received a permanent VEIP waiver.

**Exhibit 1** shows the model year of a vehicle, the fiscal year it would become exempt from testing under the bill and how many vehicles of that model year were tested during the 2005 to 2006 test cycle.

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**Exhibit 1**  
**VEIP Exemptions Under the Bill by Fiscal Year**

<u>Model Year</u>	<u>Fiscal Year Exempt Under the Bill</u>	<u>Number of Vehicles Tested CY 2005-2006</u>
1982	2008	2,306
1983	2009	3,949
1984	2010	7,216
1985	2011	10,580
1986	2012	17,574

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Accordingly, TTF revenues could decrease by \$28,736 in fiscal 2008. This estimate reflects the bill's October 1, 2007 effective date and reflects the following assumptions:

- the VEIP fee would stay constant at \$14;
- based on fiscal 2007 data, late fees would remain approximately 35% of VEIP fees and this same percentage would apply to older model vehicles;
- in each testing cycle, for vehicles more than 25 model years old, 49% of vehicles tested in the last cycle would still be in service and would otherwise need to be tested under VEIP; and
- during the 2007 to 2008 testing cycle, a total of 4,431 model year 1977 to 1982 vehicles would still be in service, with 50% tested in calendar 2007 and 50% tested in calendar 2008.

Based on an increase in the number of eligible vehicles, TTF revenues would decrease by \$40,342 in fiscal 2009, \$55,519 in fiscal 2010, \$78,311 in fiscal 2011, and \$125,088 in 2012.

**State Expenditures:** The MVA advises that computer reprogramming costs associated with this bill would be \$78,750. Legislative Services advises that if other legislation is passed requiring computer programming changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 19, 2007  
mll/ljm

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Analysis by: Nora C. McArdle

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