

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 66 (Delegate Lam)
 Environment and Transportation Education, Health, and Environmental Affairs

Environment - Lead and Mercury Wheel Weights - Prohibited

This bill (1) prohibits the sale and use of lead and mercury wheel weights for new and used vehicles registered in the State beginning January 1, 2020; (2) requires the State to ensure that vehicles purchased after January 1, 2019, are free of lead and mercury wheel weights; and (3) prohibits each tire on a State fleet vehicle that is balanced or replaced after January 1, 2018, from being equipped with a lead or mercury wheel weight. The bill also requires that lead and mercury wheel weights that are removed and collected must be properly recycled. Finally, the bill establishes provisions relating to enforcement.

Fiscal Summary

State Effect: Special fund expenditures increase by \$89,800 in FY 2020 for the Maryland Department of the Environment (MDE) to enforce the bill, which reflects a January 1, 2020 implementation date for enforcement activities. Future year expenditures reflect annualization. It is assumed that the State can recycle any wheel weights that are removed and collected from State vehicles with existing budgeted resources. The bill’s penalty provision is not anticipated to materially affect State revenues.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0	0	89,800	93,700	97,100
Net Effect	\$0	\$0	(\$89,800)	(\$93,700)	(\$97,100)

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

Local Effect: The bill is not anticipated to materially affect local government operations or finances. It is assumed that local governments can recycle any wheel weights that are removed and collected from local vehicles with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill prohibits a motor vehicle or tire manufacturer, wholesaler, or retailer, motor vehicle repair facility, or any other person who installs wheel weights from using or selling an externally attached lead or mercury wheel weight composed of more than 0.1% lead or mercury by weight during the first tire installation, replacement, or balancing. This prohibition applies to all new and used vehicles registered in the State beginning January 1, 2020.

MDE must send a warning notice to a person that violates the bill's provisions. If the violation continues for one year after receipt of MDE's warning notice, the person is subject to a civil fine of up to \$1,000 for each subsequent offense after the one-year warning period.

Current Law: Lead is currently regulated under MDE's Lead Poisoning Prevention Program. However, that program primarily addresses the prevention of lead poisoning in children through regulation of lead-containing children's products and lead paint in homes.

MDE's mercury program relates primarily to mercury-added products (*e.g.*, dyes or pigments, electric switches, fluorescent lamps), mercury switches in vehicles, thermostats, mercury fever thermometers, mercuric oxide batteries, the use of mercury in schools, and public outreach and education. Chapter 494 of 2004 established prohibitions and requirements relating to the sale and reclamation or destination of mercury-added products. In general, unless a mercury-added product is labeled, a manufacturer or wholesaler may not sell the product at retail in the State or to a retailer in the State. Unless properly labeled, a retailer may not knowingly sell a new mercury-added product in the State. Chapter 56 of 2006 prohibits a marketer from selling or providing a thermostat containing mercury to a consumer.

Chapter 713 of 2009 requires vehicle manufacturers that sold motor vehicles in the State containing mercury switches to, individually or as a group, develop a mercury minimization plan relating to mercury switch removal from vehicles prior to processing at vehicle recycling and scrap processing facilities. MDE approved the required plan in January 2010. This program is being implemented by the End of Life Vehicle Solutions Corporation (ELVS), an entity created by a consortium of motor vehicle manufacturers. [ELVS](#) provides vehicle recyclers and scrap processing facilities with specially designed containers for collection, temporary storage, and shipping of mercury switches removed from end-of-life vehicles. More information on this program is available in the 2013-2014

[annual report](#) prepared by MDE's Land Management Administration for the Maryland General Assembly.

Background: Wheel weights are attached to the rim of a vehicle's wheels in order to provide balance to the wheel and tire. Wheel weights may contain lead or mercury, but mercury-free and lead-free alternatives exist, including steel and zinc. Most new vehicles are now delivered with wheel-balancing products other than lead or mercury, reflecting industry change from a 2005 European ban; a voluntary phase-out effort by the U.S. tire and automobile manufacturers with encouragement from the U.S. Environmental Protection Agency (EPA), through the National Lead Free Wheel Weight Initiative; and the passage of an increasing number of state laws.

Mercury and lead have both been designated as 2 of the 31 "Priority Chemicals" targeted for reduction by EPA. In August 2009, EPA approved a petition from several environmental and lead-free advocacy groups to initiate a proceeding to ban the manufacture and distribution of lead wheel weights under authority set out in the Toxic Substances Control Act. This represented a reversal of EPA's previous stance, following a rejection of a similar petition in 2005. However, EPA has not taken any further actions on this rulemaking petition.

According to MDE, several states have banned lead and/or mercury wheel weights, including California, Illinois, Maine, Minnesota, New York, Vermont, and Washington.

State Expenditures: Special fund expenditures increase by \$89,822 in fiscal 2020, which reflects the fact that the bill prohibits the sale and use of lead and mercury wheel weights beginning January 1, 2020. This estimate reflects the cost of hiring one environmental compliance specialist within MDE to conduct inspections and otherwise enforce the bill. It includes a salary, fringe benefits, one-time start-up costs (including the purchase of a vehicle), and ongoing operating expenses, including lead and mercury testing supplies. The information and assumptions used to calculate this estimate are stated below:

- MDE does not currently regulate lead or mercury wheel weights;
- despite the fact that new vehicles are generally delivered without lead or mercury wheel weights, lead and mercury wheel weights may be used to balance tires as they are replaced;
- 2,502 scrap tire collection facilities are licensed by MDE, all of whom may install or remove wheel weights;
- every tire wholesaler, retailer, and dealer may handle affected wheel weights;
- it is likely that thousands of entities are affected by the bill; and
- MDE's existing staff cannot absorb the additional enforcement workload.

Position	1
Salary and Fringe Benefits	\$33,546
Vehicle Purchase/Operations	30,768
Mercury and Lead Testing Supplies	19,618
Other Start-up Costs and Operating Expenses	<u>5,890</u>
FY 2020 MDE Enforcement Expenditures	\$89,822

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses.

Additional Information

Prior Introductions: HB 1328 of 2016, a similar bill, passed the House with amendments and received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken. HB 18 of 2010, a similar bill, received a hearing in the House Environmental Matters Committee but was subsequently withdrawn. HB 763 of 2009, another similar bill, received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Caroline, Montgomery, and Prince George's counties; Department of Budget and Management; Maryland Department of the Environment; Department of General Services; Maryland Department of Transportation; Department of Legislative Services

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