

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 32 (Delegate Carr)
Environment and Transportation

Vehicle Emissions Inspection Program - Prohibition on Suspension or Revocation
of Registration

This bill prohibits the Motor Vehicle Administration (MVA) from basing a suspension or revocation of a vehicle registration on the vehicle owner's failure to have the vehicle inspected and tested as required under the Vehicle Emissions Inspection Program (VEIP).

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues may be delayed by up to two years as some vehicle owners delay compliance until registration renewal. Expenditures are not materially affected.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: In response to requirements of the federal Clean Air Act, Maryland has operated VEIP in various parts of the State since 1984. All model year 1977 and newer vehicles in the State, unless specifically exempt, must be inspected and tested every two years. MVA and the Maryland Department of the Environment (MDE) must set the VEIP fee for each vehicle to be inspected and tested, which may not exceed \$14. The current fee is \$14.

Exhibit 1 shows the required tests by vehicle type and model year.

Exhibit 1
Required VEIP Tests by
Model Year and Vehicle Weight

<u>Required Tests</u>	<u>Model Year</u>	<u>Vehicle Weight</u>
Gas Cap Test	1977 through 1995	8,501 - 26,000 pounds
On-board Diagnostic Test	1996 and newer (powered by gasoline or propane)	8,500 pounds or less
	2008 and newer (heavy duty vehicles)	8,501 - 14,000 pounds
Idle Exhaust Emissions Test	1977 through 1995 (powered by gasoline or propane)	8,501 - 26,000 pounds
	2008 and newer (heavy duty vehicles)	14,001 - 26,000 pounds

Source: Motor Vehicle Administration

Certain types of vehicles are currently exempt from VEIP, including:

- vehicles with a model year of 1976 or earlier;
- vehicles weighing more than 26,000 pounds (gross vehicle weight);
- vehicles powered solely by diesel or electric;
- motorcycles;
- vehicles registered as farm trucks, farm truck tractors, or farm area vehicles;
- historic or antique vehicles;
- new vehicles and qualified hybrids for the first 36 months after titling and registration;
- any fire apparatus owned or leased by the State of Maryland, a county, municipality, or volunteer fire department or rescue squad;
- ambulances;
- vehicles registered to owners age 70 or older, or vehicles registered with hard metal disabled tags, that are driven 5,000 miles per year or less (if co-owned, both owners must qualify for the waiver, and mileage must be recertified every two years to continue to receive the waiver);

- vehicles registered as Class N (street rod);
- military vehicles owned by the federal government and used for tactical, combat, or relief operations, or for training for these operations; and
- vehicles registered as Class H (school vehicle) or Class P (passenger bus).

Background: All vehicles registered in Maryland (unless specifically exempt) must undergo VEIP inspections. According to MVA, motorists drive approximately 135 million miles in Maryland daily, an amount that increases each year. VEIP ensures vehicles are operating efficiently and, thus, reduces air pollution created by vehicle emissions (a major component of smog). VEIP is jointly administered by MVA and MDE. MVA is responsible for collection of motorist test fees and payment of operations contractor fees.

Current law allows specified disabled motorists and senior motorists to apply for an exemption from VEIP if they drive 5,000 miles or less annually. The exemption benefits affected motorists while also limiting the negative air quality effects (via the mileage cap) of foregoing the emissions inspection.

MDE advises that the federal Clean Air Act and related regulations specifically require vehicle emissions inspection programs to enforce motorist compliance through the vehicle registration process. The department further advises that the registration denial enforcement mechanism is designed to be an immediate, meaningful action to keep noncompliant vehicles from operating on public roads by requiring emissions testing prior to, and coincident with, vehicle registration. For optimum effectiveness, and as is done in other states, emissions testing and vehicle registration are closely linked. (Usually, testing is required within a specified number of days of the end of the month in which the vehicle registration expires.) Maryland is different in that VEIP testing and vehicle registration renewal are not closely linked and can be almost 24 months apart, allowing noncompliant vehicles to continue to operate on public roads for some time.

To mitigate the negative effects of a lengthy time gap between the test due date and consequences for noncompliance, Maryland initiated its enforcement method of suspension with subsequent registration denial. Even though Maryland's method does not exactly follow the federal model of immediate registration denial, the Clean Air Act allowed an exception for existing enforcement programs that could be shown to be as effective. The U.S. Environmental Protection Agency approved the State's plan because the suspension aspect provides sufficient mitigation and makes Maryland's enforcement mechanism as effective as the federal model in keeping noncompliant vehicles off the road.

According to a 2018 analysis by the Department of Legislative Services (DLS), Maryland is 1 of 3 states that suspends or revokes a vehicle registration due to noncompliance with emissions inspections. The analysis also indicated that 25 states (including the District of

Columbia) prevent vehicle registration renewal for noncompliance, while there is no impact on registration in 22 states. (The impact on noncompliance in 1 state could not be determined.) **Appendix – Emissions Inspection Violation and Potential Impact on Vehicle Registration By State and in the District of Columbia** shows emissions inspection violations and the potential impact on vehicle registrations by state.

State Revenues: MVA advised in 2017 that, in fiscal 2016, approximately 1.8 million VEIP tests were completed. In the same year, 612,721 suspension warning letters were mailed to customers for noncompliance, while 88,927 registrations were suspended. The VEIP inspection costs \$14, while the late fee for failure to have the inspection done when it is required is \$15.

While MVA advises that it does not anticipate an effect on TTF revenues under the bill because noncompliant vehicle owners would be required to pay all VEIP fees and late fees in order to renew a vehicle registration, DLS advises that TTF revenues may be delayed by as long as two years, with the effect primarily in fiscal 2020 and 2021.

As noted above, VEIP tests in Maryland are not aligned with vehicle registration periods. Thus, under the bill, a vehicle owner with a VEIP test required shortly after registration renewal could avoid compliance for nearly two years, as the owner's registration could no longer be suspended or revoked for noncompliance with VEIP.

Additional Information

Prior Introductions: None.

Cross File: SB 282 (Senator Waldstreicher) - Judicial Proceedings.

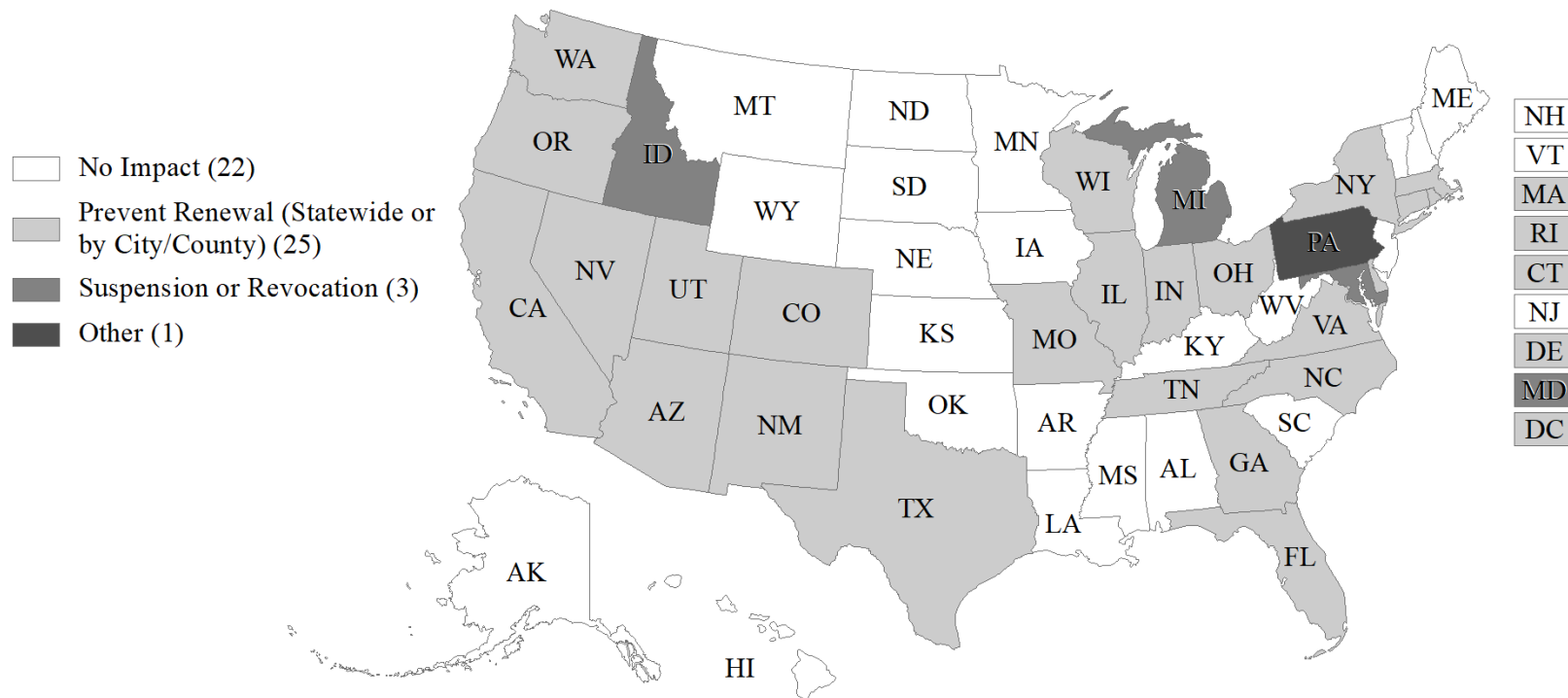
Information Source(s): Maryland Department of the Environment; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2019
mag/ljm

Analysis by: Eric F. Pierce

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

Appendix – Emissions Inspection Violation and Potential Impact on Vehicle Registration By State and in the District of Columbia



Note: A portion of the states with no impact do not have emissions tests.

Source: Department of Legislative Services