

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1201 (Delegate Valentine, *et al.*)
 Environment and Transportation

Vehicle Emissions Inspection Program – Exemptions – Individuals With Disabilities and Older Drivers

This bill increases the maximum number of miles (from 5,000 to 10,000) that a motor vehicle registered to an individual with a disability or owned by an individual who is at least 70 years of age may be driven annually to be eligible for an exemption from mandatory inspections under the Vehicle Emissions Inspection Program (VEIP).

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by approximately \$1.8 million in FY 2026 and \$2.4 million in subsequent years due to additional VEIP testing exemptions, as discussed below. TTF expenditures are not materially affected.

(\$ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	(\$1.8)	(\$2.4)	(\$2.4)	(\$2.4)	(\$2.4)
Expenditure	0	0	0	0	0
Net Effect	(\$1.8)	(\$2.4)	(\$2.4)	(\$2.4)	(\$2.4)

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

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law:

Vehicle Emissions Inspection Program

Title 23, Subtitle 2 of the Transportation Article generally requires all model year 1977 and newer vehicles in the State to be inspected and tested every two years, unless specifically

exempt. The Motor Vehicle Administration (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.

Statutory Waivers/Exemptions

A vehicle owner must be granted a waiver from the VEIP inspection requirement if the vehicle fails to pass the exhaust emissions test but the owner provides specified evidence of payment for emissions-related repairs.

Persons with special disability registration plates, persons age 70 or older, and deployed military personnel are eligible for an exemption from the VEIP inspection requirement under specified circumstances (MVA/MDE regulations refer to these exemptions as “waivers”).

Any fire or rescue apparatus or ambulance owned or leased by a political subdivision of the State, or by a volunteer fire company, rescue squad, or volunteer ambulance company, registered as an emergency vehicle is exempt from VEIP inspections.

Regulations

Section 23-207 of the Transportation Article authorizes MVA and the Secretary of the Environment to jointly adopt rules and regulations for purposes of implementation, administration, regulation, and enforcement of the provisions of the VEIP statute, including rules and regulations that, consistent with federal law, exempt certain vehicles from the inspections and tests under the program.

MVA/MDE regulations establish various additional exemptions, including exempting vehicles not registered in the “emissions inspection area” (Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George’s, Queen Anne’s, and Washington counties, and Baltimore City).

Diesel vehicles are regulated under a separate program.

State Revenues: MVA anticipates that approximately 343,541 additional VEIP testing waivers may be issued under the bill. In total, more than 600,000 additional vehicles may be *eligible* for a testing exemption under the bill. Nevertheless, MVA notes that, based on available data and past behavior, only about 60% of eligible owners are expected to apply for a testing waiver.

This analysis assumes approximately 128,828 vehicles are exempt in fiscal 2026 (due to the bill’s October 1, 2025 effective date) and that 171,771 vehicles are exempt in

subsequent years. Thus, taking into account the \$14 inspection fee, TTF revenues decrease by approximately \$1.8 million in fiscal 2026 and \$2.4 million in subsequent years. Although VEIP tests may be conducted at a VEIP kiosk for a slightly lower (\$10) fee, this analysis assumes individuals granted an exemption would otherwise have the test conducted at a full-service VEIP station.

This estimate does not factor in the impact of any potential foregone late fee revenues, which MVA has historically advised make up a large portion of VEIP revenues. The late fee is \$15 and is assessed the day after the due date (and every four weeks thereafter until paid).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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km/ljm

Analysis by: Eric F. Pierce

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