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March 15, 2022

The Honorable Kumar P. Barve  
Chairman, House Environment and Transportation Committee  
251 House Office Building  
Annapolis, MD 21401

**Re: Letter of Information – House Bill 883 – Washington County – Vehicle Emissions Inspection Fees – Distribution**

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 883 but offers the following information for the Committee's consideration.

House Bill 883 requires the Maryland Department of Transportation Motor Vehicle Administration's (MDOT MVA) to remit 45 percent of vehicle emissions inspection and testing fees, including late fees, for vehicle emissions inspections completed at an inspection facility in Washington County to provide funding for improving and maintaining Washington County highways.

The MDOT MVA oversees the operation of the Vehicle Emissions Inspections Program (VEIP) in conjunction with the Maryland Department of the Environment. VEIP tests are completed on a bi-annual basis for certain vehicle models subject to VEIP testing requirements. At present, the MDOT MVA operates one VEIP inspection station in Washington County, located in Hagerstown. The day-to-day operation of the facility is managed by a vendor and is under contract with the MDOT MVA. There is also a self-service VEIP kiosk available at this facility.

The MDOT MVA currently charges \$14 for a VEIP test and \$10 for a VEIP test using a self-service kiosk. These fees, along with any late fees, are required under Section 23-205 of the Transportation Article of the Annotated Code of Maryland to cover the cost of the VEIP contract with the vendor. House Bill 883 would impact the ability of the MDOT MVA to meet this obligation by reducing the funds available to cover VEIP-associated operating costs.

Currently, the Washington County VEIP facility averages 45,729 tests per year and collects VEIP and late fees totaling \$768,925 annually. The operation of the facility, not including routine maintenance costs, is \$712,047 annually. House Bill 883 would require revenue sharing of approximately \$346,017 per year with Washington County, resulting in a revenue loss of the same amount to the TTF.

The MDOT currently provides highway user revenue (HUR) capital grants that are already established in law to provide an equitable distribution of funding to local jurisdictions. House Bill 883 would make Washington County the sole recipient of an additional approximate \$350,000 annually and these funds would occur outside of the HUR capital grant structure. The MDOT is concerned other counties would view this inequity as an unfair advantage and pursue similar revenue sharing programs. This would impact the MDOT MVAs ability to meet obligations under State law and reduce funds for the TTF that can be distributed equitably in the State.

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The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 883.

Respectfully submitted,

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