

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 635 (Delegate Lam, *et al.*)
Environment and Transportation

Vehicle Emissions Inspection Program - Recall or Remediation - Documentation
of Repairs

This bill requires the Vehicle Emissions Inspection Program (VEIP) to require that, for a motor vehicle that becomes subject to a voluntary emissions recall or a remedial plan determination for emissions equipment, the owner provide documentation at the time of testing and inspection that the emissions repairs have been completed. For a motor vehicle that becomes subject to a recall or remediation within 60 days before the date of the scheduled test and inspection, the owner may provide repair documentation at the next subsequent scheduled test and inspection.

Fiscal Summary

State Effect: To the extent the Motor Vehicle Administration (MVA) is able to obtain information regarding voluntary emissions recalls or remedial plan determinations for emissions equipment, such as through a central national repository, which is not currently available, Transportation Trust Fund (TTF) expenditures increase by an estimated \$452,500 for MVA to contract with an outside vendor for reprogramming changes. Additional internal reprogramming changes can be handled with existing resources. Revenues are likely not affected.

Local Effect: None.

Small Business Effect: 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.

State VEIP regulations require the following tests for the following vehicles:

- an idle exhaust emissions test, catalytic converter check, and gas cap leak test for vehicles of model year 1977 through 1995 that are 8,500 pounds or less;
- an on-board diagnostic (OBD) test for vehicles of model year 1996 and newer that are 8,500 pounds or less;
- an idle exhaust emissions test, catalytic converter check, and gas cap leak test for vehicles of model year 1977 through 2007 that are between 8,500 pounds and 14,000 pounds;
- an OBD test for vehicles of model year 2008 or newer that are between 8,500 pounds and 14,000 pounds; and
- an idle exhaust emissions test, catalytic converter check, and gas cap leak test for vehicles of model year 1977 or newer that are between 14,001 and 26,000 pounds.

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 a farm truck, farm truck tractor, or farm area vehicle;
- historic or antique vehicles;
- new vehicles for the first 24 months 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 a Class N (street rod) vehicle;
- 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 a Class H (school vehicle) or Class P (passenger bus).

Current Regulations for Emissions-related Recalls

Current regulations require an owner of a vehicle scheduled for inspection to have vehicle repairs performed, as required by an emissions-related recall notice, before presenting the vehicle for inspection. A vehicle found not to have had repairs performed, as required by an emissions-related recall notice, is required to be rejected from inspection. The vehicle owner must demonstrate compliance to the satisfaction of MVA before the vehicle is inspected.

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 a vehicle is 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.

MDE advises that emissions recall data is not readily available to states. There is no federal source for the data, and there are no federal requirements for vehicle manufacturers to provide the information to states. MDE further advises that MDE and MVA have long intended to implement a recall compliance process in VEIP when a federal database of recall data becomes available. The agencies have put the regulatory and contractual framework in place in order to be able to do so, but the effort has been hampered by the lack of a federal compilation of the recall data. The federal government has purview over vehicle manufacturers with regard to emissions standards. The states, with the exception of California, do not have authority to compel the manufacturers to provide the recall data. Historically, emissions recalls affect about three million vehicles annually, according to the U.S. Environmental Protection Agency.

Under the Maryland Clean Cars Program, California-certified vehicles have been required in Maryland since model year 2011. MDE notes it may be possible to implement the provisions of the bill for model years 2011 and forward, since California requires vehicle manufacturers to submit recall data for California-certified vehicles.

State Expenditures: According to MVA, in the absence of a central national repository or other source of information about voluntary emissions recalls or remedial plan determinations for emissions equipment, there is no way to determine which vehicles have outstanding emissions recalls. To the extent MVA is able to obtain access to such

information and is able to implement the bill's requirements, TTF expenditures increase by an estimated \$452,500 for MVA to contract with an outside vendor for one-time reprogramming changes. A total of 4,525 hours (at a rate of \$100 an hour) is required for the external vendor to complete the reprogramming changes. Some of the changes include:

- developing a process that identifies all vehicles that are part of a recall;
- flagging the vehicles and executing some action to pass or fail them;
- developing email and mail communications to notify a title holder of a required recall or remediation; and
- developing an interface to a third-party data aggregator to receive notifications of vehicle emissions-related recalls or remediation.

An additional 4,375 hours of internal reprogramming changes can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 25, 2016
md/ljm

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