

**Title 11**  
**DEPARTMENT OF TRANSPORTATION**  
**Subtitle 14 MOTOR VEHICLE ADMINISTRATION—VEHICLE INSPECTIONS**  
**11.14.08 Vehicle Emissions Inspection Program**

Authority: Transportation Article, §§12-104(b), 23-202(a), 23-206.2, 23-206.4, and 23-207; Environment Article, §§1-101, 1-404, 2-101—2-103, and 2-301—2-303; Annotated Code of Maryland

**Notice of Proposed Action**

[17-234-P]

The Secretary of the Environment and the Administrator of the Motor Vehicle Administration jointly propose to amend Regulations **.01**, **.03—05**, and **.09** under **COMAR 11.14.08 Vehicle Emissions Inspection Program**. This action was considered on October 3, 2017 at 10:00 a.m. at the Department of the Environment, 1800 Washington Boulevard, 1st Floor Conference Rooms, Baltimore, Maryland 21230-1720.

**Statement of Purpose**

The purpose of this action is to modernize and enhance the Vehicle Emissions Inspection Program (VEIP) to improve motorist convenience while minimizing the impact on air quality. This action delays the initial VEIP inspection date for new vehicles and exempts pre-on board diagnostics (OBD) light duty vehicles from inspection. These enhancements improve customer service, and allow Marylanders to benefit from recent air quality progress in the State. In addition, this action corrects an obsolete statutory reference and a typographical error.

Submission to EPA as a Revision to Maryland's SIP

This action will be submitted to the U.S. Environmental Protection Agency as a State Implementation Plan Revision.

**Regulation Amendments**

The amendments delay the initial VEIP inspection for new vehicles by one year. Currently, new (not previously titled) vehicles undergo an inspection at two years of age. The amendments change the initial inspection date to at least 36 months after the vehicle's model year.

The amendments also exempt pre-1996 model year light duty vehicles (cars and light trucks) from VEIP inspection. The OBD test is conducted on 1996 and newer light duty vehicles and 2008 and newer medium-heavy duty vehicles. The idle test and gas cap leak test will continue to be conducted on older and heavier vehicles.

**Background**

VEIP has been a cornerstone air quality program in Maryland for three decades. Several key programs and advancements in technology have resulted in cleaner air in Maryland

since VEIP began in 1984. These recent improvements in air quality allow Maryland to move forward with the current customer service enhancements to the VEIP.

There have been several advancements in vehicle technology since the VEIP program started. New vehicle emissions standards have grown more stringent and VEIP testing methods have also grown more advanced. Today's computerized OBD testing is much more thorough, while less complicated to perform than older test types.

Additionally, other key programs in Maryland have resulted in improvements in air quality. Maryland has implemented aggressive pollution controls on Maryland power plants, cars and trucks, and many other sources. There are also other emerging opportunities to further clean the air with electric vehicles and other technological advances on emissions controls for many other mobile sources.

#### Sources Affected and Location

Approximately 1.6 million vehicles are inspected in the VEIP annually. In 2018, it is expected that 208,571 new vehicles will be affected by the one year delay of the initial inspection, and a similar number in future years. An estimated 23,988 vehicles will be affected by the exemption of pre-1996 light duty vehicles. These vehicles are now over 20 years old and retiring from the vehicle population at a rapid rate.

#### Emissions

The air quality impact from delaying the initial inspection for new vehicles by one year is expected to be negligible. The exemption of pre-1996 light duty vehicles will result in an increase of less than 1 ton per day of volatile organic compounds, an effect that will quickly decrease to negligible over future years.

### **Comparison to Federal Standards**

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

### **Estimate of Economic Impact**

**I. Summary of Economic Impact.** This proposed action would delay the initial VEIP inspection of new vehicles by one year and exempt passenger vehicles and light duty trucks manufactured prior to model year 1996 from VEIP inspection. Based on the assumptions and information contained in this fiscal impact statement, the estimated economic impacts for fiscal year 2018 are: to MDOT/MVA, an estimated \$2,159,143 net loss; and to the public, an estimated \$2,249,868 cost savings. (See Section III for assumptions used in the fiscal impact calculations.) The cost savings to the public would continue annually thereafter under this regulation change.

The proposed action is not expected to have significant economic impact on any other entity.

Revenue (R+/R-)

## II. Types of Economic Impact.

Expenditure (E+/E-)

Magnitude

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A. On issuing agency:

(R-)

\$2,249,868 (FY 18)

(E-)

90,725 (FY 18)

B. On other State agencies:

(E-)

Minimal

C. On local governments:

(E-)

Minimal

Benefit (+)

Cost (-)

Magnitude

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D. On regulated industries or trade groups:

(-)

Minimal

E. On other industries or trade groups:

NONE

F. Direct and indirect effects on public:

(+)

\$2,249,868 (FY 18)

## III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. Revenues. Based on an analysis of current statistical data, it is estimated that in fiscal year 2018, there would be 208,571 vehicles of the third newest model year, and 23,988 pre-1996 model year passenger vehicles and light duty trucks, for a total of 232,559 vehicles. The inspection fees are \$14 at the VEIP inspection station and \$10 at the VEIP self-service kiosk. Current data as of February 2017 shows that 98% of vehicle

inspections are conducted at the VEIP stations, and 2% are conducted at the kiosks. VEIP program statistics (2016) show that late fee revenue is equivalent to approximately 39% of inspection fee revenue. The estimated revenue impact (loss) in fiscal year 2018 to MDOT MVA from the reduction in inspection/late fees is calculated as follows:

(1) VEIP station inspection fee revenue loss:  $(232,559 \text{ vehicles} \times 98\% \times \$14) \times 50\%$  (January 1, 2018 effective date) = \$1,595,354

(2) VEIP kiosk inspection fee revenue loss:  $(232,559 \text{ vehicles} \times 2\% \times \$10) \times 50\%$  (January 1, 2018 effective date) = \$23,256

Subtotal of a + b = \$1,618,610

(3) Late fee revenue loss:  $(\$1,618,610 \times 39\%) = \$631,258$

(4) Total fiscal year 2018 revenue loss from this action:  $(\$1,618,610 + \$631,258) = \$2,249,868$ .

A similar effect on MDOT MVA revenues is expected in future years.

A. Expenditures. This proposal would have a small impact on MDOT/MVA expenditures in fiscal year 2018, in reduced credit card fees and postage costs.

(1) MDOT MVA incurs credit card fees when a customer chooses to pay for their VEIP transaction with a credit card. The reduced number of emissions inspections administered under this action would reduce the credit card fees incurred by MDOT MVA. Recent program data (2016) shows that credit card fees equate to 1.5% of all VEIP fees assessed (inspection and late fees). Based on a reduction in VEIP fees assessed of \$2,249,868, the estimated reduction (savings) in credit card fees would be  $(\$2,249,868 \times 1.5\%) = \$33,748$  in fiscal year 2018.

(2) MDOT VA currently incurs postage charges of \$0.49 for each inspection notice mailed. The reduced number of VEIP inspections as result of this action would reduce the number of notices mailed. It is estimated that in fiscal year 2018, there would be 208,571 vehicles of the third newest model year, and 23,988 pre-1996 model year passenger vehicles and light duty trucks, for a total of 232,559 vehicles. Therefore, postage charges would be reduced by  $(232,559 \text{ vehicles} \times \$0.49) \times 50\%$  (January 1, 2018 effective date) = \$56,977 (savings) in fiscal year 2018.

In summary, fiscal year 2018 cost savings to the MDOT/MVA from this action are estimated at  $(\$33,748 + \$56,977) = \$90,725$ .

NOTE: Modest cost savings associated with supplies/materials would also result from this proposal. However, these cost savings would be minimal in nature.

B. Other State agencies and local governments would experience minimal reductions in costs due to the reduced number of vehicles they must have inspected.

C. Other State agencies and local governments would experience minimal reductions in costs due to the reduced number of vehicles they must have inspected.

D. There would be minimal impact on automotive repair facilities that are Certified Emissions Repair Facilities (CERFs) due to lost income from potentially fewer motorists seeking emissions-related repairs.

F. Based on the assumptions and calculations included in part A, above, the public would realize estimated cost savings of \$2,249,868 in fiscal year 2018 through reductions in VEIP inspection/late fees paid. Savings to the public would continue at a similar rate into future years.

### **Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

### **Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

### **Opportunity for Public Comment**

Comments may be sent to Ms. Marcia Ways, Mobile Sources Control Program Manager, Department of the Environment, 1800 Washington Boulevard, Suite 705, Baltimore, Maryland 21230-1720, or call 410-537-3270, or email to [marcia.ways@maryland.gov](mailto:marcia.ways@maryland.gov), or fax to 410-537-4435. Comments will be accepted through October 3, 2017. A public hearing will be held October 3, 2017 at 10:00 a.m. at the Department of the Environment, 1800 Washington Boulevard, 1st Floor Conference Rooms, Baltimore, Maryland 21230-1720.

### **Open Meeting**

Final action on the proposal will be considered by The Department of the Environment and the Motor Vehicle Administration during a public meeting to be held on October 3, 2017 at 10:00 a.m., at the Department of the Environment, 1800 Washington Boulevard, 1st Floor Conference Rooms, Baltimore, Maryland 21230-1720.

#### **.01 Scope and Applicability.**

A. (text unchanged)

B. Applicability.

(1) (text unchanged)

(2) Table 1. Test Procedure Applicability.

	Gross Vehicle Weight (pounds)	Vehicle Model Year	Test Type
(a)	8,500 and under	[1977—1995	Idle exhaust emissions test, catalytic converter check, and gas cap leak test]
		1996 and newer	On-board diagnostics test
(b)—(c)	(text unchanged)		

#### **.03 Definitions.**

A. (text unchanged)

B. Terms Defined.

(1)—(29) (text unchanged)

(30) "Qualified hybrid vehicle" has the meaning stated in Transportation Article, [§13-815(a)] §23-202(b)(3)(i), Annotated Code of Maryland.

(31)—(40) (text unchanged)

**.04 Exemptions.**

- A. (text unchanged)
- B. Exempt vehicles include the following vehicles:
  - (1)—(15) (text unchanged)
  - (16) Of a model year earlier than 1977; [or]
  - (17) *Of a gross vehicle weight of 8,500 pounds or less and a model year earlier than 1996; or*
  - [(17)] (18) (text unchanged)

**.05 Schedule of the Program.**

- A. (text unchanged)
- B. Schedule for Vehicle Inspection.
  - (1)—(3) (text unchanged)
  - (4) New Vehicles.
    - (a) Qualified Hybrid Vehicles. On or after October 1, 2012, for a qualified hybrid vehicle of the current or preceding model year that has not been previously titled or registered in any jurisdiction and for which the ownership document is a manufacturer's certificate of origin, the Administration shall assign a date of scheduled inspection which is [a] *at least 36 months after the model year of the vehicle.*
    - (b) Except as required in §B(4)(a) of this regulation, for a vehicle of the current or preceding model year that has not been previously titled or registered in any jurisdiction and for which the ownership document is a manufacturer's certificate of origin, the Administration shall assign a date of scheduled inspection which is at least [24] 36 months after the model year of the vehicle.
  - (5)—(8) (text unchanged)
- C.—F. (text unchanged)

**.09 Test Standards.**

- A. Idle Exhaust Emissions Test.
  - (1) (text unchanged)
  - (2) Hydrocarbon (HC) and carbon monoxide (CO) emissions may not exceed the following values:
    - [(a) Table 2. Gross vehicle weight less than or equal to 6,000 pounds.]  
(table proposed for repeal)
    - [(b)] (a) [Table 3] *Table 2.* Gross vehicle weight greater than [6,000] 8,500 pounds but less than or equal to 10,000 pounds.  
(table unchanged)
    - [(c)] (b) [Table 4] *Table 3.* Gross vehicle weight greater than 10,000 pounds:  
(table unchanged)
- B.—D. (text unchanged)

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Maryland Department of the Environment