

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 6

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - Transportation)

Judicial Proceedings

Environmental Matters

**Vehicle Laws - Preventive Maintenance Program - Preventive Maintenance
Technician**

This departmental bill requires trucks and similar vehicles that are inspected as part of the Maryland Department of Transportation (MDOT) Preventive Maintenance Program to be inspected, maintained, or repaired by a “preventive maintenance technician.” The bill defines a “preventive maintenance technician” as a person who can provide evidence of a demonstrated understanding of inspection criteria through (1) a minimum of one year of experience working under the Preventive Maintenance Program or (2) completion of a training program that is either sponsored by a commercial motor vehicle manufacturer or designed to train students in commercial vehicle operation and maintenance.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances. The bill can be implemented and enforced by MDOT and the Department of State Police with existing resources. It is assumed that the bill’s passage does not impact the receipt of federal transportation grant funds.

Local Effect: The bill is not anticipated to materially affect local operations or finances.

Small Business Effect: MDOT has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment as discussed below.

Analysis

Current Law: An owner of specified types of trucks and other similar vehicles, which are subject to the Preventive Maintenance Program, must have the vehicle inspected, maintained, and repaired at least every 25,000 miles or at least every 12 months, whichever occurs first. For trucks with a “dump service” registration that have been in operation for at least 18 years from the vehicle’s model year or first registration date, whichever is later, the inspection, maintenance, and repair must be completed at least every 12,500 miles or at least every 6 months, whichever occurs first. Current law does not establish a definition or other eligibility criteria regarding the level of training or experience needed for a technician to undertake such inspection, maintenance, or repair under the Preventive Maintenance Program.

Background: According to MDOT, the Preventive Maintenance Program was established in 1988 to ensure that Class E (truck), F (tractor), G (trailer or semitrailer), P (passenger bus), or M (multipurpose) vehicles in Maryland are in safe operating condition. However, unlike the MDOT used vehicle safety inspection program, there is no requirement that work be completed by a technician with prescribed qualifications. MDOT states that ensuring that work is completed by knowledgeable and skilled technicians will decrease the risk of commercial motor vehicle crashes. MDOT further indicates that federal requirements require those who perform periodic commercial vehicle inspections to prove their training or educational qualifications. Thus, this bill makes Maryland law consistent with federal regulations.

Small Business Effect: MDOT advises that a significant majority of technicians who inspect, maintain, or repair vehicles under the Preventive Maintenance Program will qualify as preventive maintenance technicians through the bill’s experience criteria. For these more experienced technicians, and any small businesses that employ them, the bill may result in a modest increase in pricing power due to the temporary reduction in the supply of eligible technicians under the Preventive Maintenance Program. Conversely, the bill may have a minimal detrimental impact on small businesses with a disproportionate number of newer technicians who would be temporarily ineligible for Preventive Maintenance Program work. Finally, the bill may result in a minimal increase in demand for small businesses engaged in the training or certification of automotive technicians.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2014
mm/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Vehicle Laws – Preventive Maintenance Program –Preventive Maintenance Technician

BILL NUMBER: SB 6

PREPARED BY: Maryland Department of Transportation / Office of Freight and Multimodalism

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The legislation is expected to have a minimal impact on small business.

Due to the strengthening the standards required of the workforce performing work related to the Preventive Maintenance (PM) Program, it would be expected that an increase in cost to the carrier directly related to the PM Program work could occur. However, it is unlikely that the supply of technicians would reduce as most can provide evidence that they have been certified through various industry programs or have been in the workforce for over a year, allowing them to be self-certified.

The number of technicians that would qualify to become certified is too difficult to determine. Estimates can be derived from the most recent available employment data from Maryland Department of Labor, Licensing, and Regulation (DLLR).¹ It is estimated that in 2011 there were 3,280 Bus and Truck Mechanics and Diesel Engine Specialists² employed in the State. If grouped together with the estimate for Automotive Service Technicians and Mechanics,³ this represents an estimated 17 percent of the total workforce generally thought of as engine technicians/mechanics. Although DLLR forecasts a negligible

¹ DLLR does not include self-employed in their employment data.

² Diagnose, adjust, repair, or overhaul buses and trucks, or maintain and repair any type of diesel engines. Includes mechanics working primarily with automobile or marine diesel engines.

³ Diagnose, adjust, repair, or overhaul automotive vehicles. Exclude "Automotive Body and Related Repairers" (49-3021), "Bus and Truck Mechanics and Diesel Engine Specialists" (49-3031), and "Electronic Equipment Installers and Repairers, Motor Vehicles" (49-2096).

decrease in employment in this field to 3,270 in 2013, long-term forecasts show a slight increase to 3,320 by 2020.

To the extent that certified technicians may charge a higher fee for PM Program work than non-certified mechanics, commercial motor vehicle owners/carriers could see an increase cost in complying with the Preventive Maintenance Program. This increase is not expected to be *significant* as competition among garages would keep the price for this service from rising considerably.

Those professional garages and heavy-duty vehicle repair shops that employ a technician who is unable to show evidence of qualification therefore is not certified to perform preventive maintenance technicians would realize an decrease only in business related to PM Program work, while those businesses that have a technician able to show qualifications to be certified would only increase business specific to the PM Program. There is no data to indicate the percentage of Preventive Maintenance Program work that is currently undertaken; however, it is not expected to be a significant part of professional garages or heavy-duty vehicle repair shops daily work.