

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 670

(Senator Smith)

Judicial Proceedings

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**Vehicle Laws - Registration Renewal - Inspection Requirement**

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This bill establishes an inspection requirement for each motor vehicle in the State that is at least five model years old. However, such an inspection is not required for Class L (historic) vehicles. Before the Motor Vehicle Administration (MVA) renews the registration of such a vehicle, it must receive a valid registration renewal inspection certificate. A registration renewal inspection must include examination of specified equipment to determine if the equipment meets or exceeds standards under State law. A certificate issued pursuant to the bill is valid for 90 days after the date of issuance and must identify (1) the inspection station where the vehicle was inspected and (2) the licensed inspection mechanic who inspected the motor vehicle. An inspection station may charge up to \$45 for conducting the inspection. MVA must adopt regulations to implement the bill.

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**Fiscal Summary**

**State Effect:** Transportation Trust Fund expenditures increase by about \$30,800 in FY 2023 for reprogramming. General fund expenditures may increase significantly beginning in FY 2023 for the Department of State Police (DSP) to hire additional compliance personnel, as discussed below. Revenues are likely not materially affected.

**Local Effect:** None.

**Small Business Effect:** Meaningful.

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## Analysis

### Current Law:

#### *Used Vehicle Inspections*

Generally, if a person transfers a used motor vehicle, the person has to obtain an inspection certificate from an inspection station. The inspection requirement does not apply to transfers between spouses, parents and children, vehicle co-owners, or vehicles that are not to be both titled and registered in Maryland. The inspection requirement also does not apply to other specialized types of transfers, as specified in statute.

A valid inspection certificate for a used vehicle is required for titling and registration. However, Class L (historic) vehicles are exempt from this requirement. An inspection certificate is valid from the date of the inspection certificate for a period of 90 days. An inspection certificate issued for a used vehicle owned and held in inventory by a licensed dealer expires at the earlier of six months or after 1,000 miles have been added to the vehicle's odometer since issuance of the inspection certificate.

If a person applies for titling and registration of a used vehicle, MVA may issue a temporary registration and withhold delivery of the certificate of title until an inspection certificate is received. A vehicle with a temporary registration must be inspected within 60 days of the issuance of the temporary registration.

#### *Safety Equipment Repair Orders*

A police officer who observes that a vehicle registered in Maryland is being operated without required equipment must stop the driver and issue a safety equipment repair order. Driving on a highway without the required minimum equipment is a misdemeanor, subject to a maximum fine of \$500. The prepayment penalty established by the District Court is \$70.

#### *Minimum Standards for Equipment*

Every vehicle driven on highways in Maryland must, where applicable, have certain equipment (*e.g.*, brakes, steering, suspension, *etc.*) that meets or exceeds the standards established jointly by MVA and DSP.

**State Expenditures:** MVA anticipates reprogramming expenditures totaling \$30,375 in fiscal 2023 only in order to implement the bill. The reprogramming costs relate to MVA's kiosks, eStore, and vehicle systems.

MVA notes that the bill's safety inspection requirements differ from the current used vehicle inspection requirements. Therefore, safety inspection stations may need to modify inspection procedures to comply with the bill. The fee currently charged by safety

inspection stations varies, but it is typically between \$80 and \$100. These inspection stations are monitored by DSP.

MVA estimates about 2.1 million vehicles on an annual basis are affected by the bill's requirements. This figure excludes Class L (historic) vehicles, which are exempt under the bill. Due to the significant influx of safety inspections occurring after the bill takes effect, DSP advises it likely needs to hire additional personnel to ensure inspection stations are in compliance with the bill. Although the Department of Legislative Services (DLS) concurs that DSP may need to hire additional personnel under the bill – and that the costs to do so may be significant – DLS advises the exact number of personnel needed primarily depends on the number of private inspection stations that participate in the program, which is unknown. Therefore, while general fund expenditures may increase significantly for DSP to implement the bill, the exact impact cannot be determined at this time. To the extent personnel are hired as a result of the bill, this analysis assumes most are hired in the first two years of implementation (*i.e.*, FY 2023 and 2024).

**Small Business Effect:** Many safety inspection stations qualify as small businesses and are meaningfully affected by the bill. Once the bill takes effect, a significant number of vehicles will require an inspection pursuant to the bill's requirements in order to re-register. It is unclear whether the current system of safety inspection stations can accommodate such a significant influx. The maximum fee authorized by the bill (\$45) is less than the current maximum fee (\$100) for used vehicle inspections. However, the inspection requirements of the bill differ from a typical used vehicle inspection and may be less time consuming. Therefore, while some inspection stations may be willing to perform the required inspections required by the bill, the overall portion of inspection stations willing to do so is unclear.

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### **Additional Information**

**Prior Introductions:** SB 566 of 2020, a similar bill, received a hearing in the Senate Judicial Proceedings Committee but was withdrawn.

**Designated Cross File:** None.

**Information Source(s):** Department of State Police; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2022  
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Analysis by: Eric F. Pierce

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