

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 763 (Delegate Hubbard, *et al.*)
 Environmental Matters

Environment - Lead Wheel Weights - Prohibited

This bill (1) phases out the sale and use of lead wheel weights; (2) requires the Maryland Department of the Environment (MDE) to adopt regulations that create a list of environmentally safe lead-free wheel weights; and (3) requires the State to ensure its vehicle fleet is free of lead wheel weights by January 1, 2011.

Fiscal Summary

State Effect: General fund expenditures increase by \$229,900 in FY 2010 and by more than \$256,000 annually thereafter for MDE to implement the bill. State expenditures (all funds) increase at various State agencies beginning in FY 2011 to retrofit vehicle fleets in compliance with the lead wheel weight ban.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	229,900	256,000	267,400	279,400	292,100
GF/SF/FF Exp.	0	-	-	-	-
Net Effect	(\$229,900)	(\$256,000)	(\$267,400)	(\$279,400)	(\$292,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local expenditures increase minimally beginning in FY 2012 to retrofit vehicle fleets in compliance with the lead wheel weight ban.

Small Business Effect: Minimal increase in costs for small business motor vehicle or tire manufacturers, wholesalers, retailers, repair facilities, and other wheel weight installers; some or all of the increase in costs may be passed to customers through higher prices. Small businesses engaged in the recycling of lead may benefit.

Analysis

Bill Summary: The bill prohibits a motor vehicle or tire manufacturer, wholesaler, or retailer, motor vehicle repair facility, or any other person who installs wheel weights from using or selling an externally attached lead wheel weight over 0.1% lead by weight during the first tire installation, replacement, or balancing. This prohibition applies to all used vehicles registered in the State beginning January 1, 2012, and for all new vehicles registered in the State beginning January 1, 2013.

By January 1, 2010, MDE, in consultation with other appropriate State agencies, must establish by regulation a list of approved environmentally safe lead-free wheel weights that are available for purchase. If a wheel weight is removed from the list of approved wheel weights, the prohibition against the use or sale of that type of wheel weight must be phased in over a two-year period. Beginning July 1, 2010, and at least every two years thereafter, MDE must update the list and any other regulations adopted under the bill. In addition, MDE must inform the businesses regulated under the bill about all regulatory requirements.

Lead wheel weights removed and collected in compliance with the bill must be properly recycled. An entity who violates the provisions of the bill is to be issued a warning by MDE and offered compliance assistance. However, if the violation continues for a year after receipt of MDE's warning, the entity is subject to a civil fine of up to \$1,000 for each subsequent offense.

The bill also requires the State to ensure that, beginning January 1, 2011, no vehicle in the State fleet is equipped with an externally attached lead wheel weight of greater than 0.1% lead by weight.

Current Law: Lead is currently regulated in several forms by the MDE Lead Poisoning Prevention Program. However, this program is primarily concerned with the prevention of lead poisoning in children through regulation of lead-containing children's products and lead dust in homes.

Background: Wheel weights are attached to the rim of a vehicle's wheels in order to provide balance to the wheel and tire. Traditionally, nearly all wheel weights were made of lead. However, following the release of several studies in recent decades documenting the magnitude of environmental exposure from uncontrolled lead wheel weights, a number of automobile and related parts manufacturers began to utilize alternative substances such as steel, zinc, and other metallic alloys. In addition, legislation has been introduced in a number of states to phase out lead wheel weights or to ban their use in state vehicle fleets. Vermont enacted a lead wheel weight phase-out and a retrofit of its state vehicle fleet in 2008. The U.S. Environmental Protection Agency (EPA)

administers the National Lead Free Wheel Weight Initiative to encourage the transition from lead wheel weights through public education and industry outreach. EPA estimates that about 13% of all lead wheel weights, or about 12.5 million pounds of lead, are lost during normal driving conditions and exposed to the environment annually.

MDE’s involvement in lead reduction relates primarily to the Lead Poisoning Prevention Program. MDE serves as the coordinating agency of statewide efforts to eliminate childhood lead poisoning. Under the 1994 “Reduction of Lead Risk in Housing Law,” MDE assures compliance with mandatory requirements for lead risk reduction in rental units built before 1950; maintains a statewide listing of registered and inspected units; and provides blood lead surveillance through a registry of test results of all children tested in Maryland. The program also oversees case management follow up by local health departments for children with elevated blood lead levels; certifies and enforces performance standards for inspectors and contractors working in lead hazard reduction; and performs environmental investigations for lead poisoned children. In addition, the program provides oversight for community education to parents, tenants, rental property owners, homeowners, and health care providers to enhance their role in lead poisoning prevention.

State Expenditures: General fund expenditures increase by \$229,889 in fiscal 2010, which accounts for the bill’s October 1, 2009 effective date. This estimate reflects the cost of hiring one additional natural resources planner, two environmental compliance specialists, and one administrative specialist to implement the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses

	<u>FY 2010</u>	<u>FY 2011</u>
Salaries and Fringe Benefits	\$162,075	\$220,125
Start-up Costs and Operating Expenses	<u>67,814</u>	<u>35,853</u>
Total FY 2010 State Expenditures	\$229,889	\$255,978

Future year expenditures reflect full salaries with 4.4% annual increases and 3% employee turnover and 1% annual increases in ongoing operating expenses.

The Department of Legislative Services advises that within several years from the date of the phase out under the bill, and perhaps earlier if similar initiatives in other states and at the federal level are successful in causing lead wheel weights to be phased out, the positions created to implement the bill may be diverted or eliminated.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Garrett County, Department of Budget and Management, Maryland Department of the Environment, Department of General Services, Maryland Environmental Service, North East Maryland Waste Disposal Authority, Maryland Department of Transportation, Department of Legislative Services

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