

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2104
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 49-542, Arizona Revised Statutes, as amended by
3 Laws 2021, chapter 27, section 2, and chapter 116, section 1, is amended to
4 read:

5 49-542. Emissions inspection program; powers and duties of
6 director; administration; periodic inspection;
7 minimum standards and rules; exceptions; definition

8 A. The director shall administer a comprehensive annual or biennial
9 emissions inspection program that shall require the inspection of vehicles
10 in this state pursuant to this article and applicable administrative rules.
11 Such inspection is required for vehicles that are registered in area A and
12 area B, for those vehicles owned by a person who is subject to section
13 15-1444 or 15-1627 and for those vehicles registered outside of area A or
14 area B but used to commute to the driver's principal place of employment
15 located within area A or area B. Inspection in other counties of the state
16 shall commence on the director's approval of an application by a county
17 board of supervisors for participation in such inspection program. In all
18 counties with a population of three hundred fifty thousand or fewer
19 persons, except for the portion of counties that contain any portion of
20 area A, the director shall as conditions dictate provide for testing to
21 determine the effect of vehicle-related pollution on ambient air quality in
22 all communities with a metropolitan area population of twenty thousand
23 persons or more. If such testing detects the violation of state ambient
24 air quality standards by vehicle-related pollution, the director shall
25 forward a full report of such violation to the president of the senate, the
26 speaker of the house of representatives and the governor.

1 B. The state's annual or biennial emissions inspection program shall
2 provide for vehicle inspections at official emissions inspection stations
3 or at fleet emissions inspection stations or may provide for remote vehicle
4 inspection. Each official inspection station in area A shall employ at
5 least one technical assistant who is available during the station's hours
6 of operation to provide assistance for persons who fail the emissions
7 test. An official or fleet emissions inspection station permit shall not
8 be sold, assigned, transferred, conveyed or removed to another location
9 except on such terms and conditions as the director may prescribe. The
10 director shall establish a pilot program to provide for remote vehicle
11 inspections in area A and area B. The director shall operate the pilot
12 program for at least three consecutive years and shall complete the pilot
13 program before July 1, 2025. On completion of the pilot program, the
14 director shall submit to the joint legislative budget committee and the
15 office of the governor a report summarizing the results of the pilot
16 program. The director shall submit the report before the department
17 implements any full scale remote vehicle inspection program and shall
18 include in the report a summary of the data collected during the pilot
19 program and a certification by the director that, based on the data
20 collected during the pilot program, a full scale implementation of a remote
21 vehicle inspection program will increase the efficiency and reduce the
22 costs of the vehicle emissions inspection program.

23 C. Vehicles required to be inspected and registered in this state,
24 except those provided for in section 49-546, shall be inspected, for the
25 purpose of complying with the registration requirement pursuant to
26 subsection D of this section, in accordance with the provisions of this
27 article not more than ninety days before each registration expiration
28 date. A vehicle may be submitted voluntarily for inspection more than
29 ninety days before the registration expiration date on payment of the
30 prescribed inspection fee. That voluntary inspection may be considered as
31 compliance with the registration requirement pursuant to subsection D of
32 this section only on conditions prescribed by the director.

1 D. A vehicle shall not be registered until such vehicle has passed
2 the emissions inspection and the tampering inspection prescribed in
3 subsection G of this section or has been issued a certificate of waiver. A
4 certificate of waiver shall only be issued one time to a vehicle after
5 January 1, 1997. If any vehicle to be registered is being sold by a dealer
6 licensed to sell motor vehicles pursuant to title 28, the cost of any
7 inspection and any repairs necessary to pass the inspection shall be borne
8 by the dealer. A dealer who is licensed to sell motor vehicles pursuant to
9 title 28 and whose place of business is located in area A or area B shall
10 not deliver any vehicle to the retail purchaser until the vehicle passes
11 any inspection required by this article, except if the vehicle is a
12 collectible vehicle and the retail purchaser obtains collectible vehicle or
13 classic automobile insurance coverage as prescribed in subsection Z of this
14 section before delivery or the vehicle is otherwise exempt under subsection
15 J of this section.

16 E. On the registration of a vehicle that has complied with the
17 minimum emissions standards pursuant to this section or is otherwise exempt
18 under this section, the registering officer shall issue an air quality
19 compliance sticker to the registered owner that shall be placed on the
20 vehicle as prescribed by rule adopted by the department of transportation
21 or issue a modified year validating tab as prescribed by rule adopted by
22 the department of transportation. Those persons who reside outside of area
23 A or area B but who elect to test their vehicle or are required to test
24 their vehicle pursuant to this section and who comply with the minimum
25 emissions standards pursuant to this section or are otherwise exempt under
26 this section shall remit a compliance form, as prescribed by the department
27 of transportation, and proof of compliance issued at an official emissions
28 inspection station to the department of transportation along with the
29 appropriate fees. The department of transportation shall then issue the
30 person an air quality compliance sticker that shall be placed on the
31 vehicle as prescribed by rule adopted by the department of
32 transportation. The registering officer or the department of

1 transportation shall collect an air quality compliance fee of \$.25. The
2 registering officer or the department of transportation shall deposit,
3 pursuant to sections 35-146 and 35-147, the air quality compliance fee in
4 the state highway fund established by section 28-6991. The department of
5 transportation shall deposit, pursuant to sections 35-146 and 35-147, any
6 emissions inspection fee in the emissions inspection fund. The provisions
7 of this subsection do not apply to those vehicles registered pursuant to
8 title 28, chapter 7, article 7 or 8, the sale of vehicles between motor
9 vehicle dealers or vehicles leased to a person residing outside of area A
10 or area B by a leasing company whose place of business is in area A or
11 area B.

12 F. The director shall adopt minimum emissions standards pursuant to
13 section 49-447 with which the various classes of vehicles shall be required
14 to comply as follows:

15 1. For the purpose of determining compliance with minimum emissions
16 standards in area B:

17 (a) A motor vehicle manufactured in or before the 1980 model year,
18 other than a diesel powered vehicle, shall be required to take and pass the
19 curb idle test. A diesel powered vehicle is subject to only a loaded
20 test. The conditioning mode, at the option of the vehicle owner or owner's
21 agent, shall be administered only after the vehicle has failed the curb
22 idle test. On completion of such conditioning mode, a vehicle that has
23 failed the curb idle test may be retested in the curb idle test. If the
24 vehicle passes such retest, it is deemed in compliance with minimum
25 emissions standards unless the vehicle fails the tampering inspection
26 pursuant to subsection G of this section.

27 (b) A motor vehicle manufactured in or after the 1981 model year,
28 other than a diesel powered vehicle, shall be required to take and pass the
29 curb idle test and the loaded test or an onboard diagnostic check as may be
30 required pursuant to title II of the clean air act.

31 2. For the purposes of determining compliance with minimum emissions
32 standards and functional tests in area A:

1 (a) Motor vehicles manufactured in or after model year 1981 with a
2 gross vehicle weight rating of eighty-five hundred pounds or less, other
3 than diesel powered vehicles, shall be required to take and pass a
4 transient loaded emissions test or an onboard diagnostic check as may be
5 required pursuant to title II of the clean air act.

6 (b) Motor vehicles other than those prescribed by subdivision (a) of
7 this paragraph and other than diesel powered vehicles shall be required to
8 take and pass a steady state loaded test and a curb idle emissions test.

9 (c) A diesel powered motor vehicle applying for registration in area
10 A shall be required to take and pass an annual emissions test conducted at
11 an official emissions inspection station or a fleet emissions inspection
12 station as follows:

13 (i) A loaded, transient or any other form of test as provided for in
14 rules adopted by the director for vehicles with a gross vehicle weight
15 rating of eight thousand five hundred pounds or less.

16 (ii) A test that conforms with the society for automotive engineers
17 standard J1667 for vehicles with a gross vehicle weight rating of more than
18 eight thousand five hundred pounds.

19 (d) Motor vehicles by specific class or model year shall be required
20 to take and pass any of the following tests:

21 (i) An evaporative system purge test.

22 (ii) An evaporative system integrity test.

23 (e) An onboard diagnostic check may be required pursuant to title II
24 of the clean air act.

25 3. Any constant four-wheel drive vehicle shall be required to take
26 and pass a curb idle emissions test or an onboard diagnostic check as
27 required pursuant to title II of the clean air act.

28 4. Fleet operators in area B must comply with this section, except
29 that used vehicles sold by a motor vehicle dealer who is a fleet operator
30 and who has been issued a permit under section 49-546 shall be tested as
31 follows:

1 (a) A motor vehicle manufactured in or before the 1980 model year
2 shall take and pass only the curb idle test, except that a diesel powered
3 vehicle is subject to only a loaded test.

4 (b) A motor vehicle manufactured in or after the 1981 model year
5 shall take and pass the curb idle test and a twenty-five hundred
6 revolutions per minute unloaded test.

7 5. Vehicles owned or operated by the United States, this state or a
8 political subdivision of this state shall comply with this subsection
9 without regard to whether those vehicles are required to be registered in
10 this state, except that alternative fuel vehicles of a school district that
11 is located in area A shall be required to take and pass the curb idle test
12 and the loaded test.

13 6. Fleet operators in area A shall comply with this section, except
14 that used vehicles sold by a motor vehicle dealer who is a fleet operator
15 and who has been issued a permit pursuant to section 49-546 for the
16 purposes of determining compliance with minimum emission standards in area
17 A shall be tested as follows:

18 (a) A motor vehicle manufactured in or before the 1980 model year
19 shall take and pass the curb idle test, except that a diesel powered
20 vehicle is subject to only a loaded test.

21 (b) A motor vehicle manufactured in or after the 1981 model year
22 shall take and pass the curb idle test and a two thousand five hundred
23 revolutions per minute unloaded test.

24 7. Except for any registered owner or lessee of a fleet of less than
25 twenty-five vehicles, a diesel powered motor vehicle with a gross vehicle
26 weight of more than twenty-six thousand pounds and for which gross weight
27 fees are paid pursuant to title 28, chapter 15, article 2 in area A shall
28 not be allowed to operate in area A unless it was manufactured in or after
29 the 1988 model year or is powered by an engine that is certified to meet or
30 surpass emissions standards contained in 40 Code of Federal Regulations
31 section 86.088-11 in effect on July 1, 1995. This paragraph does not apply

1 to vehicles that are registered pursuant to title 28, chapter 7, article 7
2 or 8.

3 8. For any registered owner or lessee of a fleet of less than
4 twenty-five vehicles, a diesel powered motor vehicle with a gross vehicle
5 weight of more than twenty-six thousand pounds and for which gross weight
6 fees are paid pursuant to title 28, chapter 15, article 2 in area A shall
7 not be allowed to operate in area A unless it was manufactured in or after
8 the 1988 model year or is powered by an engine that is certified to meet or
9 surpass emissions standards contained in 40 Code of Federal Regulations
10 section 86.088-11 in effect on July 1, 1995. This paragraph does not apply
11 to vehicles that are registered pursuant to title 28, chapter 7, article 7
12 or 8.

13 G. In addition to an emissions inspection, a vehicle is subject to a
14 tampering inspection as prescribed by rules adopted by the director if the
15 vehicle was manufactured after the 1974 model year.

16 H. Vehicles required to be inspected shall undergo a functional test
17 of the gas cap to determine if the cap holds pressure within limits
18 prescribed by the director, except for any vehicle that is subject to an
19 evaporative system integrity test.

20 I. Motor vehicles failing the initial or subsequent test are not
21 subject to a penalty fee for late registration renewal if the original
22 testing was accomplished before the expiration date and if the registration
23 renewal is received by the motor vehicle division or the county assessor
24 within thirty days after the original test.

25 J. The director may adopt rules for purposes of implementation,
26 administration, regulation and enforcement of the provisions of this
27 article including:

28 1. The submission of records relating to the emissions inspection of
29 vehicles inspected by another jurisdiction in accordance with another
30 inspection law and the acceptance of such inspection for compliance with
31 the provisions of this article.

32 2. The exemption from inspection of:

1 (a) Except as otherwise provided in this subdivision, a motor
2 vehicle manufactured in or before the 1966 model year. If the United
3 States environmental protection agency issues a vehicle emissions testing
4 exemption for motor vehicles manufactured in or before the 1974 model year
5 for purposes of the state implementation or maintenance plan for air
6 quality, a motor vehicle manufactured in or before the 1974 model year is
7 exempt from inspection.

8 (b) New vehicles originally registered at the time of initial retail
9 sale and titling in this state pursuant to section 28-2153 or 28-2154.

10 (c) Vehicles registered pursuant to title 28, chapter 7, article 7
11 or 8.

12 (d) New vehicles before the sixth registration year after initial
13 purchase or lease.

14 (e) Vehicles that are outside of this state at the time of
15 registration, except the director by rule may require testing of those
16 vehicles within a reasonable period of time after those vehicles return to
17 this state.

18 (f) Golf carts.

19 (g) Electrically-powered vehicles.

20 (h) Vehicles with an engine displacement of less than ninety cubic
21 centimeters.

22 (i) The sale of vehicles between motor vehicle dealers.

23 (j) Vehicles leased to a person residing outside of area A or area B
24 by a leasing company whose place of business is in area A or area B.

25 (k) Collectible vehicles.

26 (l) Motorcycles.

27 3. Compiling and maintaining records of emissions test results after
28 servicing.

29 4. A procedure that allows the vehicle service and repair industry
30 to compare the calibration accuracy of its emissions testing equipment with
31 the department's calibration standards.

1 5. Training requirements for automotive repair personnel using
2 emissions measuring equipment whose calibration accuracy has been compared
3 with the department's calibration standards.

4 6. Any other rule that may be required to accomplish the provisions
5 of this article.

6 K. The director, after consultation with automobile manufacturers
7 and the vehicle service and repair industry, shall establish by rule a
8 definition of "vehicle maintenance and repairs" for motor vehicles subject
9 to inspection under this article. The definition shall specify repair
10 procedures that, when implemented, will reduce vehicle emissions.

11 L. The director shall adopt rules that specify that the estimated
12 retail cost of all recommended maintenance and repairs shall not exceed the
13 amounts prescribed in this subsection, except that if a vehicle fails a
14 tampering inspection there is no limit on the cost of recommended
15 maintenance and repairs. The director shall issue a certificate of waiver
16 for a vehicle if the director has determined that all recommended
17 maintenance and repairs have been performed and that the vehicle has failed
18 any reinspection that may be required by rule. If the director has
19 determined that the vehicle is in compliance with minimum emissions
20 standards or that all recommended maintenance and repairs for compliance
21 with minimum emissions standards have been performed, but that tampering
22 discovered at a tampering inspection has not been repaired, the director
23 may issue a certificate of waiver if the owner of the vehicle provides to
24 the director a written statement from an automobile parts or repair
25 business that an emissions control device that is necessary to repair the
26 tampering is not available and cannot be obtained from any usual source of
27 supply before the vehicle's current registration expires. Rules adopted by
28 the director for the purpose of establishing the estimated retail cost of
29 all recommended maintenance and repairs pursuant to this subsection shall
30 specify that:

31 1. In area A the cost shall not exceed:

1 (a) \$500 for a diesel powered vehicle with a gross weight in excess
2 of twenty-six thousand pounds.

3 (b) \$500 for a diesel powered vehicle with tandem axles.

4 (c) For a vehicle other than a diesel powered vehicle with a gross
5 weight in excess of twenty-six thousand pounds and other than a diesel
6 powered vehicle with tandem axles:

7 (i) \$200 for such a vehicle manufactured in or before the 1974 model
8 year.

9 (ii) \$300 for such a vehicle manufactured in the 1975 through 1979
10 model years.

11 (iii) \$450 for such a vehicle manufactured in or after the 1980
12 model year.

13 2. In area B the cost shall not exceed:

14 (a) \$300 for a diesel powered vehicle with a gross weight in excess
15 of twenty-six thousand pounds.

16 (b) \$300 for a diesel powered vehicle with tandem axles.

17 3. For a vehicle other than a diesel powered vehicle with a gross
18 weight in excess of twenty-six thousand pounds and other than a diesel
19 powered vehicle with tandem axles:

20 (a) \$50 for such a vehicle manufactured in or before the 1974 model
21 year.

22 (b) \$200 for such a vehicle manufactured in the 1975 through 1979
23 model years.

24 (c) \$300 for such a vehicle manufactured in or after the 1980 model
25 year.

26 M. Each person whose vehicle has failed an emissions inspection
27 shall be provided a list of those general recommended repair and
28 maintenance procedures for vehicles that are designed to reduce vehicle
29 emissions levels.

30 N. Notwithstanding any other provisions of this article, the
31 director may adopt rules allowing exemptions from the requirement that all
32 vehicles must meet the minimum standards for registration.

1 0. The director of environmental quality shall establish, in
2 cooperation with the assistant director for the motor vehicle division of
3 the department of transportation:

4 1. An adequate method for identifying bona fide residents residing
5 outside of area A or area B to ensure that such residents are exempt from
6 compliance with the inspection program established by this article and
7 rules adopted under this article.

8 2. A written notice that shall accompany the vehicle registration
9 application forms that are sent to vehicle owners pursuant to section
10 28-2151 and that shall accompany or be included as part of the vehicle
11 emissions test results that are provided to vehicle owners at the time of
12 the vehicle emissions test. This written notice shall describe at least the
13 following:

14 (a) The restriction of the waiver program to one time per vehicle
15 and a brief description of the implications of this limit.

16 (b) The availability and a brief description of the VOLUNTARY
17 vehicle repair ~~and retrofit~~ program established pursuant to section
18 49-558.02.

19 (c) Notice that many vehicles carry extended warranties for vehicle
20 emissions systems, and those warranties are described in the vehicle's
21 owner's manual or other literature.

22 P. Notwithstanding any other law, if area A or area B is
23 reclassified as an attainment area, emissions testing conducted pursuant to
24 this article shall continue for vehicles registered inside that
25 reclassified area, vehicles owned by a person who is subject to section
26 15-1444 or 15-1627 and vehicles registered outside of that reclassified
27 area but used to commute to the driver's principal place of employment
28 located within that reclassified area.

29 Q. A fleet operator who is issued a permit pursuant to section
30 49-546 may electronically transmit emissions inspection data to the
31 department of transportation pursuant to rules adopted by the director of

1 the department of transportation in consultation with the director of
2 environmental quality.

3 R. The director shall prohibit a certificate of waiver pursuant to
4 subsection L of this section for any vehicle that has failed inspection in
5 area A or area B due to the catalytic converter system.

6 S. The director shall establish provisions for rapid testing of
7 certain vehicles and to allow fleet operators, singly or in combination, to
8 contract directly for vehicle emissions testing.

9 T. Each vehicle emissions inspection station in area A shall have a
10 sign posted to be visible to persons who are having their vehicles tested.
11 This sign shall state that enhanced testing procedures are a direct result
12 of federal law.

13 U. The initial adoption of rules pursuant to this section shall be
14 deemed emergency rules pursuant to section 41-1026.

15 V. The director of environmental quality and the director of the
16 department of transportation shall implement a system to exchange
17 information relating to the waiver program, including information relating
18 to vehicle emissions test results and vehicle registration information.

19 W. Any person who sells a vehicle that has been issued a certificate
20 of waiver pursuant to this section after January 1, 1997 and who knows that
21 a certificate of waiver has been issued after January 1, 1997 for that
22 vehicle shall disclose to the buyer before completion of the sale that a
23 certificate of waiver has been issued for that vehicle.

24 X. Vehicles that fail the emissions test at emission levels higher
25 than twice the standard established for that vehicle class by the
26 department pursuant to section 49-447 are not eligible for a certificate of
27 waiver pursuant to this section unless the vehicle is repaired sufficiently
28 to achieve an emissions level below twice the standard for that class of
29 vehicle.

30 Y. If an insurer notifies the department of transportation of the
31 cancellation or nonrenewal of collectible vehicle or classic automobile
32 insurance coverage for a collectible vehicle, the department of

1 transportation shall cancel the registration of the vehicle and the
2 vehicle's exemption from emissions testing pursuant to this section unless
3 evidence of coverage is presented to the department of transportation
4 within sixty days.

5 Z. For the purposes of this section, "collectible vehicle" means a
6 vehicle that complies with both of the following:

7 1. Either:

8 (a) Bears a model year date of original manufacture that is at least
9 fifteen years old.

10 (b) Is of unique or rare design, of limited production and an object
11 of curiosity.

12 2. Meets both of the following criteria:

13 (a) Is maintained primarily for use in car club activities,
14 exhibitions, parades or other functions of public interest or for a private
15 collection and is used only infrequently for other purposes.

16 (b) Has a collectible vehicle or classic automobile insurance
17 coverage that restricts the collectible vehicle mileage or use, or both,
18 and requires the owner to have another vehicle for personal use.

19 Sec. 2. Section 49-542, Arizona Revised Statutes, as amended by Laws
20 2024, chapter 150, section 6, is amended to read:

21 49-542. Emissions inspection program; powers and duties of
22 director; administration; periodic inspection;
23 minimum standards and rules; exceptions; definition

24 A. The director shall administer a comprehensive annual or biennial
25 emissions inspection program that shall require the inspection of vehicles
26 in this state pursuant to this article and applicable administrative rules.
27 Such inspection is required for vehicles that are registered in area A and
28 area B, for those vehicles owned by a person who is subject to section
29 15-1444 or 15-1627 and for those vehicles registered outside of area A or
30 area B but used to commute to the driver's principal place of employment
31 located within area A or area B. Inspection in other counties of this
32 state shall commence on the director's approval of an application by a

1 county board of supervisors for participation in such inspection
2 program. In all counties with a population of three hundred fifty thousand
3 or fewer persons, except for the portion of counties that contain any
4 portion of area A, the director shall as conditions dictate provide for
5 testing to determine the effect of vehicle-related pollution on ambient air
6 quality in all communities with a metropolitan area population of twenty
7 thousand persons or more. If such testing detects the violation of state
8 ambient air quality standards by vehicle-related pollution, the director
9 shall forward a full report of such violation to the president of the
10 senate, the speaker of the house of representatives and the governor.

11 B. The state's annual or biennial emissions inspection program shall
12 provide for vehicle inspections at official emissions inspection stations
13 or at fleet emissions inspection stations or may provide for remote vehicle
14 inspection. Each official inspection station in area A shall employ at
15 least one technical assistant who is available during the station's hours
16 of operation to provide assistance for persons who fail the emissions
17 test. An official or fleet emissions inspection station permit shall not
18 be sold, assigned, transferred, conveyed or removed to another location
19 except on such terms and conditions as the director may prescribe. The
20 director shall establish a pilot program to provide for remote vehicle
21 inspections in area A and area B. The director shall operate the pilot
22 program for at least three consecutive years and shall complete the pilot
23 program before July 1, 2025. On completion of the pilot program, the
24 director shall submit to the joint legislative budget committee and the
25 office of the governor a report summarizing the results of the pilot
26 program. The director shall submit the report before the department
27 implements any full-scale remote vehicle inspection program and shall
28 include in the report a summary of the data collected during the pilot
29 program and a certification by the director that, based on the data
30 collected during the pilot program, a full scale implementation of a remote
31 vehicle inspection program will increase the efficiency and reduce the
32 costs of the vehicle emissions inspection program.

1 C. Vehicles required to be inspected and registered in this state,
2 except those provided for in section 49-546, shall be inspected, for the
3 purpose of complying with the registration requirement pursuant to
4 subsection D of this section, in accordance with this article not more than
5 ninety days before each registration expiration date. A vehicle may be
6 submitted voluntarily for inspection more than ninety days before the
7 registration expiration date on payment of the prescribed inspection fee.
8 That voluntary inspection may be considered as compliance with the
9 registration requirement pursuant to subsection D of this section only on
10 conditions prescribed by the director.

11 D. A vehicle shall not be registered until such vehicle has passed
12 the emissions inspection and the tampering inspection prescribed in
13 subsection G of this section or has been issued a certificate of waiver. A
14 certificate of waiver shall only be issued one time to a vehicle after
15 January 1, 1997. If any vehicle to be registered is being sold by a dealer
16 licensed to sell motor vehicles pursuant to title 28, the cost of any
17 inspection and any repairs necessary to pass the inspection shall be borne
18 by the dealer. A dealer who is licensed to sell motor vehicles pursuant to
19 title 28 and whose place of business is located in area A or area B shall
20 not deliver any vehicle to the retail purchaser until the vehicle passes
21 any inspection required by this article, except if the vehicle is a
22 collectible vehicle and the retail purchaser obtains collectible vehicle or
23 classic automobile insurance coverage as prescribed in subsection Z of this
24 section before delivery or the vehicle is otherwise exempt under subsection
25 J of this section.

26 E. On the registration of a vehicle that has complied with the
27 minimum emissions standards pursuant to this section or is otherwise exempt
28 under this section, the registering officer shall issue an air quality
29 compliance sticker to the registered owner that shall be placed on the
30 vehicle as prescribed by rule adopted by the department of transportation
31 or issue a modified year validating tab as prescribed by rule adopted by
32 the department of transportation. Those persons who reside outside of area

1 A or area B but who elect to test their vehicle or are required to test
2 their vehicle pursuant to this section and who comply with the minimum
3 emissions standards pursuant to this section or are otherwise exempt under
4 this section shall remit a compliance form, as prescribed by the department
5 of transportation, and proof of compliance issued at an official emissions
6 inspection station to the department of transportation along with the
7 appropriate fees. The department of transportation shall then issue the
8 person an air quality compliance sticker that shall be placed on the
9 vehicle as prescribed by rule adopted by the department of
10 transportation. The registering officer or the department of
11 transportation shall collect an air quality compliance fee of \$.25. The
12 registering officer or the department of transportation shall deposit,
13 pursuant to sections 35-146 and 35-147, the air quality compliance fee in
14 the state highway fund established by section 28-6991. The department of
15 transportation shall deposit, pursuant to sections 35-146 and 35-147, any
16 emissions inspection fee in the emissions inspection fund. This subsection
17 does not apply to those vehicles registered pursuant to title 28, chapter
18 7, article 7 or 8, the sale of vehicles between motor vehicle dealers or
19 vehicles leased to a person residing outside of area A or area B by a
20 leasing company whose place of business is in area A or area B.

21 F. The director shall adopt minimum emissions standards pursuant to
22 section 49-447 with which the various classes of vehicles shall be required
23 to comply as follows:

24 1. For the purpose of determining compliance with minimum emissions
25 standards in area B for motor vehicles other than diesel powered vehicles
26 or constant four-wheel drive vehicles:

27 (a) A motor vehicle that is equipped with an onboard diagnostic
28 system required by section 202(m) of the clean air act shall be required to
29 take and pass an onboard diagnostic test or a steady state loaded test and
30 curb idle test as approved by the director.

1 (b) A motor vehicle with a model year of 1981 or later, other than a
2 vehicle covered by subdivision (a) of this paragraph, shall be required to
3 take and pass a steady state loaded test and curb idle test.

4 (c) A motor vehicle, other than a vehicle covered by subdivision (a)
5 or (b) of this paragraph, shall be required to take and pass a curb idle
6 test.

7 2. For the purposes of determining compliance with minimum emissions
8 standards and functional tests in area A for motor vehicles other than
9 diesel powered vehicles or constant four-wheel drive vehicles:

10 (a) A motor vehicle that is equipped with an onboard diagnostic
11 system required by section 202(m) of the clean air act shall be required to
12 take and pass an onboard diagnostic test or a transient loaded test as
13 approved by the director.

14 (b) A motor vehicle with a model year of 1981 or later, with a gross
15 vehicle weight rating of less than eight thousand five hundred one pounds,
16 other than a vehicle covered by subdivision (a) of this paragraph, shall be
17 required to take and pass a transient loaded test. A motor vehicle with a
18 model year of 1981 or later, with a gross vehicle weight rating of more
19 than eight thousand five hundred one pounds, other than a vehicle covered
20 by subdivision (a) of this paragraph, shall be required to take and pass a
21 steady state loaded test, a curb idle test or another test approved under
22 the federal clean air act.

23 (c) A motor vehicle, other than a vehicle covered by subdivision (a)
24 or (b) of this paragraph, shall be required to take and pass a steady state
25 loaded test and curb idle test.

26 (d) Motor vehicles by specific class or model year shall be required
27 to take and pass any of the following tests:

28 (i) An evaporative system purge test.

29 (ii) An evaporative system integrity test.

30 3. For the purpose of determining compliance with minimum emissions
31 standards in area A or area B for diesel powered motor vehicles:

1 (a) A diesel powered motor vehicle that is equipped with an onboard
2 diagnostic system required by section 202(m) of the clean air act shall be
3 required to take and pass an onboard diagnostic test or an opacity test as
4 approved by the director.

5 (b) A diesel powered motor vehicle, other than a vehicle covered by
6 subdivision (a) of this paragraph, shall be required to take and pass an
7 emissions test as follows:

8 (i) A loaded, transient or any other form of test as provided for in
9 rules adopted by the director for vehicles with a gross vehicle weight
10 rating of eight thousand five hundred pounds or less.

11 (ii) A test that conforms with the society for automotive engineers
12 standard J1667 for vehicles with a gross vehicle weight rating of more than
13 eight thousand five hundred pounds.

14 4. A constant four-wheel drive vehicle shall be required to take and
15 pass a curb idle test or an onboard diagnostic test.

16 5. Fleet operators must comply with this section, except that used
17 vehicles, other than diesel powered vehicles, sold by a motor vehicle
18 dealer who is a fleet operator and who has been issued a permit under
19 section 49-546 shall be tested as follows:

20 (a) A motor vehicle with a model year of 1980 or earlier shall take
21 and pass a curb idle test.

22 (b) A motor vehicle with a model year of 1981 or later, other than a
23 vehicle that is equipped with an onboard diagnostic system that is required
24 by section 202(m) of the clean air act, shall take and pass a curb idle
25 test and a twenty-five hundred revolutions per minute unloaded test.

26 6. Vehicles owned or operated by the United States, this state or a
27 political subdivision of this state shall comply with this subsection
28 without regard to whether those vehicles are required to be registered in
29 this state, except that alternative fuel vehicles of a school district that
30 is located in area A, other than vehicles equipped with an onboard
31 diagnostic system required by section 202(m) of the clean air act, shall be
32 required to take and pass the curb idle test and the loaded test.

1 7. A diesel powered motor vehicle with a gross vehicle weight of
2 more than twenty-six thousand pounds and for which gross weight fees are
3 paid pursuant to title 28, chapter 15, article 2 in area A shall not be
4 allowed to operate in area A unless it was manufactured in or after the
5 1988 model year or is powered by an engine that is certified to meet or
6 surpass emissions standards contained in 40 Code of Federal Regulations
7 section 86.088-11 in effect on July 1, 1995. This paragraph does not apply
8 to vehicles that are registered pursuant to title 28, chapter 7, article 7
9 or 8.

10 G. In addition to an emissions inspection, a vehicle is subject to a
11 tampering inspection as prescribed by rules adopted by the director if the
12 vehicle was manufactured after the 1974 model year.

13 H. Vehicles required to be inspected shall undergo a functional test
14 of the gas cap to determine if the cap holds pressure within limits
15 prescribed by the director. This subsection does not apply to any diesel
16 powered vehicle.

17 I. Motor vehicles failing the initial or subsequent test are not
18 subject to a penalty fee for late registration renewal if the original
19 testing was accomplished before the expiration date and if the registration
20 renewal is received by the motor vehicle division or the county assessor
21 within thirty days after the original test.

22 J. The director may adopt rules for purposes of implementation,
23 administration, regulation and enforcement of this article including:

24 1. The submission of records relating to the emissions inspection of
25 vehicles inspected by another jurisdiction in accordance with another
26 inspection law and the acceptance of such inspection for compliance with
27 the provisions of this article.

28 2. The exemption from inspection of:

29 (a) Except as otherwise provided in this subdivision, a motor
30 vehicle manufactured in or before the 1966 model year. If the United
31 States environmental protection agency issues a vehicle emissions testing
32 exemption for motor vehicles manufactured in or before the 1974 model year

1 for purposes of the state implementation or maintenance plan for air
2 quality, a motor vehicle manufactured in or before the 1974 model year is
3 exempt from inspection.

4 (b) New vehicles originally registered at the time of initial retail
5 sale and titling in this state pursuant to section 28-2153 or 28-2154.

6 (c) Vehicles registered pursuant to title 28, chapter 7, article 7
7 or 8.

8 (d) New vehicles before the sixth registration year after initial
9 purchase or lease.

10 (e) Vehicles that are outside of this state at the time of
11 registration, except the director by rule may require testing of those
12 vehicles within a reasonable period of time after those vehicles return to
13 this state.

14 (f) Golf carts.

15 (g) Electrically powered vehicles.

16 (h) Vehicles with an engine displacement of less than ninety cubic
17 centimeters.

18 (i) The sale of vehicles between motor vehicle dealers.

19 (j) Vehicles leased to a person residing outside of area A or area B
20 by a leasing company whose place of business is in area A or area B.

21 (k) Collectible vehicles.

22 (l) Motorcycles.

23 (m) Cranes and oversize vehicles that require permits pursuant to
24 section 28-1103 or 28-1144.

25 (n) Vehicles that are not in use and that are owned by residents of
26 this state while on active military duty outside of this state.

27 3. Compiling and maintaining records of emissions test results after
28 servicing.

29 4. A procedure that allows the vehicle service and repair industry
30 to compare the calibration accuracy of its emissions testing equipment with
31 the department's calibration standards.

1 5. Training requirements for automotive repair personnel using
2 emissions measuring equipment whose calibration accuracy has been compared
3 with the department's calibration standards.

4 6. Any other rule that may be required to accomplish this article.

5 K. The director, after consultation with automobile manufacturers
6 and the vehicle service and repair industry, shall establish by rule a
7 definition of "vehicle maintenance and repairs" for motor vehicles subject
8 to inspection under this article. The definition shall specify repair
9 procedures that, when implemented, will reduce vehicle emissions.

10 L. The director shall adopt rules that specify that the estimated
11 retail cost of all recommended maintenance and repairs shall not exceed the
12 amounts prescribed in this subsection, except that if a vehicle fails a
13 tampering inspection there is no limit on the cost of recommended
14 maintenance and repairs. The director shall issue a certificate of waiver
15 for a vehicle if the director has determined that all recommended
16 maintenance and repairs have been performed and that the vehicle has failed
17 any reinspection that may be required by rule. If the director has
18 determined that the vehicle is in compliance with minimum emissions
19 standards or that all recommended maintenance and repairs for compliance
20 with minimum emissions standards have been performed, but that tampering
21 discovered at a tampering inspection has not been repaired, the director
22 may issue a certificate of waiver if the owner of the vehicle provides to
23 the director a written statement from an automobile parts or repair
24 business that an emissions control device that is necessary to repair the
25 tampering is not available and cannot be obtained from any usual source of
26 supply before the vehicle's current registration expires. Rules adopted by
27 the director for the purpose of establishing the estimated retail cost of
28 all recommended maintenance and repairs pursuant to this subsection shall
29 specify that:

30 1. In area A the cost shall not exceed:
31 (a) \$500 for a diesel powered vehicle with a gross weight in excess
32 of twenty-six thousand pounds.

1 (b) \$500 for a diesel powered vehicle with tandem axles.

2 (c) For a vehicle other than a diesel powered vehicle with a gross
3 weight in excess of twenty-six thousand pounds and other than a diesel
4 powered vehicle with tandem axles:

5 (i) \$200 for such a vehicle manufactured in or before the 1974 model
6 year.

7 (ii) \$300 for such a vehicle manufactured in the 1975 through 1979
8 model years.

9 (iii) \$450 for such a vehicle manufactured in or after the 1980
10 model year.

11 2. In area B the cost shall not exceed:

12 (a) \$300 for a diesel powered vehicle with a gross weight in excess
13 of twenty-six thousand pounds.

14 (b) \$300 for a diesel powered vehicle with tandem axles.

15 3. For a vehicle other than a diesel powered vehicle with a gross
16 weight in excess of twenty-six thousand pounds and other than a diesel
17 powered vehicle with tandem axles:

18 (a) \$50 for such a vehicle manufactured in or before the 1974 model
19 year.

20 (b) \$200 for such a vehicle manufactured in the 1975 through 1979
21 model years.

22 (c) \$300 for such a vehicle manufactured in or after the 1980 model
23 year.

24 M. Each person whose vehicle has failed an emissions inspection
25 shall be provided a list of those general recommended repair and
26 maintenance procedures for vehicles that are designed to reduce vehicle
27 emissions levels.

28 N. Notwithstanding any other provisions of this article, the
29 director may adopt rules allowing exemptions from the requirement that all
30 vehicles must meet the minimum standards for registration.

1 0. The director of environmental quality shall establish, in
2 cooperation with the assistant director for the motor vehicle division of
3 the department of transportation:

4 1. An adequate method for identifying bona fide residents residing
5 outside of area A or area B to ensure that such residents are exempt from
6 compliance with the inspection program established by this article and
7 rules adopted under this article.

8 2. A written notice that shall accompany the vehicle registration
9 application forms that are sent to vehicle owners pursuant to section
10 28-2151 and that shall accompany or be included as part of the vehicle
11 emissions test results that are provided to vehicle owners at the time of
12 the vehicle emissions test. This written notice shall describe at least
13 the following:

14 (a) The restriction of the waiver program to one time per vehicle
15 and a brief description of the implications of this limit.

16 (b) The availability and a brief description of the VOLUNTARY
17 vehicle repair ~~and retrofit~~ program established pursuant to section
18 49-558.02.

19 (c) Notice that many vehicles carry extended warranties for vehicle
20 emissions systems, and those warranties are described in the vehicle's
21 owner's manual or other literature.

22 P. Notwithstanding any other law, if area A or area B is
23 reclassified as an attainment area, emissions testing conducted pursuant to
24 this article shall continue for vehicles registered inside that
25 reclassified area, vehicles owned by a person who is subject to section
26 15-1444 or 15-1627 and vehicles registered outside of that reclassified
27 area but used to commute to the driver's principal place of employment
28 located within that reclassified area.

29 Q. A fleet operator who is issued a permit pursuant to section
30 49-546 may electronically transmit emissions inspection data to the
31 department of transportation pursuant to rules adopted by the director of

1 the department of transportation in consultation with the director of
2 environmental quality.

3 R. The director shall prohibit a certificate of waiver pursuant to
4 subsection L of this section for any vehicle that has failed inspection in
5 area A or area B due to the catalytic converter system.

6 S. The director shall establish provisions for rapid testing of
7 certain vehicles and to allow fleet operators, singly or in combination, to
8 contract directly for vehicle emissions testing.

9 T. Each vehicle emissions inspection station in area A shall have a
10 sign posted to be visible to persons who are having their vehicles tested.
11 This sign shall state that enhanced testing procedures are a direct result
12 of federal law.

13 U. The initial adoption of rules pursuant to this section shall be
14 deemed emergency rules pursuant to section 41-1026.

15 V. The director of environmental quality and the director of the
16 department of transportation shall implement a system to exchange
17 information relating to the waiver program, including information relating
18 to vehicle emissions test results and vehicle registration information.

19 W. Any person who sells a vehicle that has been issued a certificate
20 of waiver pursuant to this section after January 1, 1997 and who knows that
21 a certificate of waiver has been issued after January 1, 1997 for that
22 vehicle shall disclose to the buyer before completion of the sale that a
23 certificate of waiver has been issued for that vehicle.

24 X. Vehicles that fail the emissions test at emission levels higher
25 than twice the standard established for that vehicle class by the
26 department pursuant to section 49-447 are not eligible for a certificate of
27 waiver pursuant to this section unless the vehicle is repaired sufficiently
28 to achieve an emissions level below twice the standard for that class of
29 vehicle.

30 Y. If an insurer notifies the department of transportation of the
31 cancellation or nonrenewal of collectible vehicle or classic automobile
32 insurance coverage for a collectible vehicle, the department of

1 transportation shall cancel the registration of the vehicle and the
2 vehicle's exemption from emissions testing pursuant to this section unless
3 evidence of coverage is presented to the department of transportation
4 within sixty days.

5 Z. For the purposes of this section, "collectible vehicle" means a
6 vehicle that complies with both of the following:

7 1. Either:

8 (a) Bears a model year date of original manufacture that is at least
9 fifteen years old.

10 (b) Is of unique or rare design, of limited production and an object
11 of curiosity.

12 2. Meets both of the following criteria:

13 (a) Is maintained primarily for use in car club activities,
14 exhibitions, parades or other functions of public interest or for a private
15 collection and is used only infrequently for other purposes.

16 (b) Has a collectible vehicle or classic automobile insurance
17 coverage that restricts the collectible vehicle mileage or use, or both,
18 and requires the owner to have another vehicle for personal use.

19 Sec. 3. Section 49-551, Arizona Revised Statutes, is amended to
20 read:

21 49-551. Air quality fee; air quality fund; purpose

22 A. Every person who is required to register a motor vehicle in this
23 state pursuant to section 28-2153 shall pay, in addition to the
24 registration fee, an annual air quality fee at the time of vehicle
25 registration of \$1.50. Unless and until the United States environmental
26 protection agency grants a waiver for diesel fuel pursuant to section
27 211(c)(4) of the clean air act, every person who is required to register a
28 diesel powered motor vehicle in this state with a declared gross weight as
29 defined in section 28-5431 of more than eight thousand five hundred pounds
30 and every person who is subject to an apportioned fee for diesel powered
31 motor vehicles collected pursuant to title 28, chapter 7, articles 7 and 8
32 shall pay an additional apportioned diesel fee of \$10.

1 B. The registering officer shall collect the fees and immediately
2 deposit, pursuant to sections 35-146 and 35-147, the air quality fees in
3 the air quality fund established ~~pursuant to~~ BY subsection C of this
4 section and shall deposit the diesel fees in the voluntary vehicle repair
5 ~~and retrofit~~ program fund established pursuant to section 49-558.02.

6 C. ~~Am~~ THE air quality fund is established consisting of monies
7 received pursuant to this section, gifts, grants and donations, and monies
8 appropriated by the legislature. The department of environmental quality
9 shall administer the fund. Monies in the fund are exempt from the
10 provisions of section 35-190 relating to the lapsing of appropriations.
11 Interest earned on monies in the fund shall be credited to the fund.
12 Monies in the air quality fund shall be used, subject to legislative
13 appropriation, for:

14 1. Air quality research, experiments and programs conducted by or
15 for the department for the purpose of bringing area A or area B into or
16 maintaining area A or area B in attainment status, improving air quality in
17 areas of this state outside area A or area B and reducing emissions of
18 particulate matter, carbon monoxide, oxides of nitrogen, volatile organic
19 compounds and hazardous air pollutants throughout the state.

20 2. Monitoring visible air pollution and developing and implementing
21 programs to reduce emissions of pollutants that contribute to visible air
22 pollution in counties with a population of four hundred thousand persons or
23 more.

24 3. Developing and adopting rules in compliance with sections
25 49-426.03, 49-426.04, 49-426.05 and 49-426.06.

26 D. The department OF ENVIRONMENTAL QUALITY shall transfer \$400,000
27 from the air quality fund to the department of administration for the
28 purposes prescribed by section 49-588 in eight installments in each of the
29 first eight months of a fiscal year.

30 E. This section does not apply to an electrically powered golf cart
31 or an electrically powered vehicle.

1 Sec. 4. Section 49-558.02, Arizona Revised Statutes, is amended to
2 read:

3 49-558.02. Voluntary vehicle repair program; criteria; fund;
4 report; definition

5 A. The department shall operate and administer a voluntary vehicle
6 repair ~~and retrofit~~ program in areas that are subject to the vehicle
7 emissions inspection program established by this article. A vehicle
8 owner's participation is voluntary. The department may contract with an
9 independent contractor to develop and implement all or any portion of the
10 program. The program shall provide for quantifiable emissions reductions.

11 B. A vehicle owner may participate in the program if all of the
12 following criteria are met:

13 1. The owner is willing to participate in the program.

14 2. The vehicle being repaired ~~or retrofitted~~ is functionally
15 operational.

16 3. The vehicle being repaired ~~or retrofitted~~ is titled in this
17 state, has taken the emissions inspection test pursuant to section 49-542,
18 subsection A, has been registered during the immediately preceding twelve
19 months and has not been unregistered for more than sixty days.

20 4. The vehicle is required to ~~take the emissions inspection test and~~
21 ~~the vehicle fails the emissions test in the emissions inspection results~~
22 ~~portion of the test. The vehicle owner shall apply to the program not more~~
23 ~~than sixty days after failing the test~~ UNDERGO AN EMISSIONS INSPECTION AND
24 FAILS AN EMISSIONS TEST.

25 5. The emissions control system has not been tampered with.

26 6. The emissions control system has not been removed or disabled, in
27 whole or in part.

28 7. The vehicle is taken to a participating repair facility. Any
29 repairs performed at an unauthorized repair facility are not eligible for
30 payment.

31 8. Participation in the program is limited to one vehicle per owner.

1 9. Motor homes, motorcycles and salvage and fleet vehicles are not
2 eligible to participate in the program.

3 10. THE VEHICLE OWNER APPLIES TO PARTICIPATE IN THE PROGRAM NOT MORE
4 THAN SIXTY DAYS AFTER FAILING THE MOST RECENT EMISSIONS TEST.

5 11. THE VEHICLE OWNER REPAIRS THE VEHICLE NOT MORE THAN SIXTY DAYS
6 AFTER ACCEPTANCE INTO THE PROGRAM.

7 C. Notwithstanding subsection B or D of this section, diesel powered
8 motor vehicles with a gross vehicle rating of more than eight thousand five
9 hundred pounds, that are subject to the vehicle emissions inspection
10 program and ~~that fail any random roadside vehicle test conducted by the~~
11 ~~state or~~ that fail the emissions test conducted pursuant to section 49-542
12 are eligible for up to \$1,000 in repair ~~or retrofit~~ costs from the
13 program. Qualified vehicle owners pursuant to this subsection shall be
14 responsible for one-half of the costs of the qualified repairs and the
15 other half of the costs shall be funded from the program up to \$1,000. An
16 owner of vehicles that are registered as a fleet shall not receive more
17 than \$10,000 in total monies. Not more than twenty-five percent of the
18 program funds in any year may be used for the purposes of this subsection.

19 D. The department shall operate and administer an emissions control
20 repair ~~and retrofit~~ program ~~in cooperation with the county~~ that provides
21 that:

22 1. Vehicle owners who qualify for the repair ~~and retrofit~~ program
23 shall pay the first \$100 as a copayment.

24 2. Vehicles that require more than \$1,000 in repair ~~or retrofit~~
25 costs are not eligible unless the vehicle owner chooses to pay additional
26 costs.

27 E. The voluntary vehicle repair ~~and retrofit~~ program fund is
28 established. The director shall administer the fund. Not more than five
29 percent of the monies in the fund may be used for the purpose of educating
30 the general public about the program and eligibility for the program. The
31 fund consists of monies from the following sources:

32 1. Monies appropriated by the legislature.

2. Monies appropriated by political subdivisions.

3. Monies deposited pursuant to section 49-551, subsection B.

4. Gifts, grants and donations.

F. On or before December 1 of each year, the department OF ENVIRONMENTAL QUALITY shall prepare and submit a progress report to the department of transportation, the speaker of the house of representatives, the president of the senate, the governor and the secretary of state on the voluntary vehicle repair ~~and retrofit~~ program that contains at least the following information:

1. The number of vehicles repaired ~~or retrofitted~~ by model year.

2. The cost-effectiveness of the program in terms of dollars spent per ton of vehicle emissions reductions.

3. Any recommendations for improving the effectiveness of the program.

4. The administrative costs of the program.

G. FOR THE PURPOSES OF THIS SECTION, "OWNER" HAS THE SAME MEANING PRESCRIBED IN SECTION 28-101.

Sec. 5. Conditional enactment

Section 49-542, Arizona Revised Statutes, as amended by Laws 2024, chapter 150, section 6 and this act, becomes effective on the date prescribed by Laws 2021, chapter 27, section 9, as amended by Laws 2023, chapter 78, section 1, but only on the occurrence of the condition prescribed by Laws 2021, chapter 27, section 9, as amended by Laws 2023, chapter 78, section 1."

Amend title to conform

And, as so amended, it do pass

GAIL GRIFFIN
CHAIRMAN

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