

House Engrossed

air quality; omnibus

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

## **CHAPTER 27**

# **HOUSE BILL 2329**

AN ACT

REPEALING SECTION 49-474.04, ARIZONA REVISED STATUTES; AMENDING SECTION 49-542, ARIZONA REVISED STATUTES; AMENDING SECTION 49-542, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; AMENDING SECTIONS 49-542.03, 49-544, 49-551 AND 49-553, ARIZONA REVISED STATUTES; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTION 49-558.02, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Section 49-474.04, Arizona Revised Statutes, is repealed.

4 Sec. 2. Section 49-542, Arizona Revised Statutes, is amended to  
5 read:

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

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

28 B. The state's annual or biennial emissions inspection program  
29 shall provide for vehicle inspections at official emissions inspection  
30 stations or at fleet emissions inspection stations or may provide for  
31 remote vehicle inspection. Each official inspection station in area A  
32 shall employ at least one technical assistant who is available during the  
33 station's hours of operation to provide assistance for persons who fail  
34 the emissions test. An official or fleet emissions inspection station  
35 permit shall not be sold, assigned, transferred, conveyed or removed to  
36 another location except on such terms and conditions as the director may  
37 prescribe. The director shall establish a pilot program to provide for  
38 remote vehicle inspections in area A and area B. The director shall  
39 operate the pilot program for at least three consecutive years and shall  
40 complete the pilot program before July 1, 2025. On completion of the  
41 pilot program, the director shall submit to the joint legislative budget  
42 committee and the office of the governor a report summarizing the results  
43 of the pilot program. The director shall submit the report before the  
44 department implements any full scale remote vehicle inspection program and  
45 shall include in the report a summary of the data collected during the

1 pilot program and a certification by the director that, based on the data  
2 collected during the pilot program, a full scale implementation of a  
3 remote vehicle inspection program will increase the efficiency and reduce  
4 the costs of the vehicle emissions inspection program.

5 C. Vehicles required to be inspected and registered in this state,  
6 except those provided for in section 49-546, shall be inspected, for the  
7 purpose of complying with the registration requirement pursuant to  
8 subsection D of this section, in accordance with the provisions of this  
9 article ~~no~~ NOT more than ninety days before each registration expiration  
10 date. A vehicle may be submitted voluntarily for inspection more than  
11 ninety days before the registration expiration date on payment of the  
12 prescribed inspection fee. That voluntary inspection may be considered as  
13 compliance with the registration requirement pursuant to subsection D of  
14 this section only on conditions prescribed by the director.

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

27 E. On the registration of a vehicle that has complied with the  
28 minimum emissions standards pursuant to this section or is otherwise  
29 exempt under this section, the registering officer shall issue an air  
30 quality compliance sticker to the registered owner that shall be placed on  
31 the vehicle as prescribed by rule adopted by the department of  
32 transportation or issue a modified year validating tab as prescribed by  
33 rule adopted by the department of transportation. Those persons who  
34 reside outside of area A or area B but who elect to test their vehicle or  
35 are required to test their vehicle pursuant to this section and who comply  
36 with the minimum emissions standards pursuant to this section or are  
37 otherwise exempt under this section shall remit a compliance form, as  
38 prescribed by the department of transportation, and proof of compliance  
39 issued at an official emissions inspection station to the department of  
40 transportation along with the appropriate fees. The department of  
41 transportation shall then issue the person an air quality compliance  
42 sticker that shall be placed on the vehicle as prescribed by rule adopted  
43 by the department of transportation. The registering officer or the  
44 department of transportation shall collect an air quality compliance fee  
45 of \$.25. The registering officer or the department of transportation

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

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

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

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

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

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

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

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

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

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

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

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

9 (i) An evaporative system purge test.

10 (ii) An evaporative system integrity test.

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

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

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

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

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

26 5. 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  
30 that is located in area A shall be required to take and pass the curb idle  
31 test and the loaded test.

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

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

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

43 7. Except for any registered owner or lessee of a fleet of less  
44 than twenty-five vehicles, a diesel powered motor vehicle with a gross  
45 vehicle weight of more than twenty-six thousand pounds and for which gross

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

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

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

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

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

30 J. The director may adopt rules for purposes of implementation,  
31 administration, regulation and enforcement of the provisions of this  
32 article including:

33 1. The submission of records relating to the emissions inspection  
34 of vehicles inspected by another jurisdiction in accordance with another  
35 inspection law and the acceptance of such inspection for compliance with  
36 the provisions of this article.

37 2. The exemption from inspection of:

38 (a) Except as otherwise provided in this subdivision, a motor  
39 vehicle manufactured in or before the 1966 model year. If the United  
40 States environmental protection agency issues a vehicle emissions testing  
41 exemption for motor vehicles manufactured in or before the 1974 model year  
42 for purposes of the state implementation or maintenance plan for air  
43 quality, a motor vehicle manufactured in or before the 1974 model year is  
44 exempt from inspection.

1 (b) New vehicles originally registered at the time of initial  
2 retail sale and titling in this state pursuant to section 28-2153 or  
3 28-2154.

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

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

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

12 (f) Golf carts.

13 (g) Electrically-powered vehicles.

14 (h) Vehicles with an engine displacement of less than ninety cubic  
15 centimeters.

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

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

19 (k) Collectible vehicles.

20 (l) Motorcycles.

21 3. Compiling and maintaining records of emissions test results  
22 after servicing.

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

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

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

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

36 L. The director shall adopt rules that specify that the estimated  
37 retail cost of all recommended maintenance and repairs shall not exceed  
38 the amounts prescribed in this subsection, except that if a vehicle fails  
39 a tampering inspection there is no limit on the cost of recommended  
40 maintenance and repairs. The director shall issue a certificate of waiver  
41 for a vehicle if the director has determined that all recommended  
42 maintenance and repairs have been performed and that the vehicle has  
43 failed any reinspection that may be required by rule. If the director has  
44 determined that the vehicle is in compliance with minimum emissions  
45 standards or that all recommended maintenance and repairs for compliance

1 with minimum emissions standards have been performed, but that tampering  
2 discovered at a tampering inspection has not been repaired, the director  
3 may issue a certificate of waiver if the owner of the vehicle provides to  
4 the director a written statement from an automobile parts or repair  
5 business that an emissions control device that is necessary to repair the  
6 tampering is not available and cannot be obtained from any usual source of  
7 supply before the vehicle's current registration expires. Rules adopted  
8 by the director for the purpose of establishing the estimated retail cost  
9 of all recommended maintenance and repairs pursuant to this subsection  
10 shall specify that:

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

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

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

15 (c) 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 (i) \$200 for such a vehicle manufactured in or before the 1974  
19 model year.

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

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

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

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

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

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

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

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

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

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

41 N. Notwithstanding any other provisions of this article, the  
42 director may adopt rules allowing exemptions from the requirement that all  
43 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 vehicle repair  
17 and retrofit program established pursuant to section ~~49-474.03~~ 49-558.02.

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

21           ~~(d) A description of the catalytic converter replacement program~~  
22 ~~established pursuant to section 49-474.03.~~

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

30           Q. A fleet operator who is issued a permit pursuant to section  
31 49-546 may electronically transmit emissions inspection data to the  
32 department of transportation pursuant to rules adopted by the director of  
33 the department of transportation in consultation with the director of  
34 environmental quality.

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

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

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

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

3 V. The director of environmental quality and the director of the  
4 department of transportation shall implement a system to exchange  
5 information relating to the waiver program, including information relating  
6 to vehicle emissions test results and vehicle registration information.

7 W. Any person who sells a vehicle that has been issued a  
8 certificate of waiver pursuant to this section after January 1, 1997 and  
9 who knows that a certificate of waiver has been issued after January 1,  
10 1997 for that vehicle shall disclose to the buyer before completion of the  
11 sale that a certificate of waiver has been issued for that vehicle.

12 X. Vehicles that fail the emissions test at emission levels higher  
13 than twice the standard established for that vehicle class by the  
14 department pursuant to section 49-447 are not eligible for a certificate  
15 of waiver pursuant to this section unless the vehicle is repaired  
16 sufficiently to achieve an emissions level below twice the standard for  
17 that class of vehicle.

18 Y. If an insurer notifies the department of transportation of the  
19 cancellation or nonrenewal of collectible vehicle or classic automobile  
20 insurance coverage for a collectible vehicle, the department of  
21 transportation shall cancel the registration of the vehicle and the  
22 vehicle's exemption from emissions testing pursuant to this section unless  
23 evidence of coverage is presented to the department of transportation  
24 within sixty days.

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

27 1. Either:

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

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

32 2. Meets both of the following criteria:

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

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

39 Sec. 3. Section 49-542, Arizona Revised Statutes, as amended by  
40 section 2 of this act, is amended to read:

41 49-542. Emissions inspection program; powers and duties of  
42 director; administration; periodic inspection;  
43 minimum standards and rules; exceptions; definition

44 A. The director shall administer a comprehensive annual or biennial  
45 emissions inspection program that shall require the inspection of vehicles

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

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

40 C. Vehicles required to be inspected and registered in this state,  
41 except those provided for in section 49-546, shall be inspected, for the  
42 purpose of complying with the registration requirement pursuant to  
43 subsection D of this section, in accordance with the provisions of this  
44 article not more than ninety days before each registration expiration  
45 date. A vehicle may be submitted voluntarily for inspection more than

1 ninety days before the registration expiration date on payment of the  
 2 prescribed inspection fee. That voluntary inspection may be considered as  
 3 compliance with the registration requirement pursuant to subsection D of  
 4 this section only on conditions prescribed by the director.

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

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

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

4 1. For the purpose of determining compliance with minimum emissions  
5 standards in area B FOR MOTOR VEHICLES OTHER THAN DIESEL POWERED VEHICLES  
6 OR CONSTANT FOUR-WHEEL DRIVE VEHICLES:

7 ~~(a) A motor vehicle manufactured in or before the 1980 model year,~~  
8 ~~other than a diesel powered vehicle, shall be required to take and pass~~  
9 ~~the curb idle test. A diesel powered vehicle is subject to only a loaded~~  
10 ~~test. The conditioning mode, at the option of the vehicle owner or~~  
11 ~~owner's agent, shall be administered only after the vehicle has failed the~~  
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13 ~~has failed the curb idle test may be retested in the curb idle test. If~~  
14 ~~the vehicle passes such retest, it is deemed in compliance with minimum~~  
15 ~~emissions standards unless the vehicle fails the tampering inspection~~  
16 ~~pursuant to subsection G of this section.~~

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

21 (a) A MOTOR VEHICLE THAT IS EQUIPPED WITH AN ONBOARD DIAGNOSTIC  
22 SYSTEM REQUIRED BY SECTION 202(m) OF THE CLEAN AIR ACT SHALL BE REQUIRED  
23 TO TAKE AND PASS AN ONBOARD DIAGNOSTIC TEST OR A STEADY STATE LOADED TEST  
24 AND CURB IDLE TEST AS APPROVED BY THE DIRECTOR.

25 (b) A MOTOR VEHICLE WITH A MODEL YEAR OF 1981 OR LATER, OTHER THAN  
26 A VEHICLE COVERED BY SUBDIVISION (a) OF THIS PARAGRAPH, SHALL BE REQUIRED  
27 TO TAKE AND PASS A STEADY STATE LOADED TEST AND CURB IDLE TEST.

28 (c) A MOTOR VEHICLE, OTHER THAN A VEHICLE COVERED BY SUBDIVISION  
29 (a) OR (b) OF THIS PARAGRAPH, SHALL BE REQUIRED TO TAKE AND PASS A CURB  
30 IDLE TEST.

31 2. For the purposes of determining compliance with minimum  
32 emissions standards and functional tests in area A FOR MOTOR VEHICLES  
33 OTHER THAN DIESEL POWERED VEHICLES OR CONSTANT FOUR-WHEEL DRIVE VEHICLES:

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

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

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

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

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

(a) A MOTOR VEHICLE THAT IS EQUIPPED WITH AN ONBOARD DIAGNOSTIC SYSTEM REQUIRED BY SECTION 202(m) OF THE CLEAN AIR ACT SHALL BE REQUIRED TO TAKE AND PASS AN ONBOARD DIAGNOSTIC TEST OR A TRANSIENT LOADED TEST AS APPROVED BY THE DIRECTOR.

(b) A MOTOR VEHICLE WITH A MODEL YEAR OF 1981 OR LATER, OTHER THAN A VEHICLE COVERED BY SUBDIVISION (a) OF THIS PARAGRAPH, SHALL BE REQUIRED TO TAKE AND PASS A TRANSIENT LOADED TEST.

(c) A MOTOR VEHICLE, OTHER THAN A VEHICLE COVERED BY SUBDIVISION (a) OR (b) OF THIS PARAGRAPH, SHALL BE REQUIRED TO TAKE AND PASS A STEADY STATE LOADED TEST AND CURB IDLE TEST.

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

(i) An evaporative system purge test.

(ii) An evaporative system integrity test.

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

3. FOR THE PURPOSE OF DETERMINING COMPLIANCE WITH MINIMUM EMISSIONS STANDARDS IN AREA A OR AREA B FOR DIESEL POWERED MOTOR VEHICLES:

(a) A DIESEL POWERED MOTOR VEHICLE THAT IS EQUIPPED WITH AN ONBOARD DIAGNOSTIC SYSTEM REQUIRED BY SECTION 202(m) OF THE CLEAN AIR ACT SHALL BE REQUIRED TO TAKE AND PASS AN ONBOARD DIAGNOSTIC TEST OR AN OPACITY TEST AS APPROVED BY THE DIRECTOR.

(b) A DIESEL POWERED MOTOR VEHICLE, OTHER THAN A VEHICLE COVERED BY SUBDIVISION (a) OF THIS PARAGRAPH, SHALL BE REQUIRED TO TAKE AND PASS AN EMISSIONS TEST AS FOLLOWS:

(i) A LOADED, TRANSIENT OR ANY OTHER FORM OF TEST AS PROVIDED FOR IN RULES ADOPTED BY THE DIRECTOR FOR VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF EIGHT THOUSAND FIVE HUNDRED POUNDS OR LESS.

(ii) A TEST THAT CONFORMS WITH THE SOCIETY FOR AUTOMOTIVE ENGINEERS STANDARD J1667 FOR VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN EIGHT THOUSAND FIVE HUNDRED POUNDS.

~~3.~~ 4. Any A constant four-wheel drive vehicle shall be required to take and pass a curb idle emissions test or an onboard diagnostic check as required pursuant to title II of the clean air act TEST.

1       ~~4.~~ 5. Fleet operators ~~in area B~~ must comply with this section,  
2 except that used vehicles, **OTHER THAN DIESEL POWERED VEHICLES**, sold by a  
3 motor vehicle dealer who is a fleet operator and who has been issued a  
4 permit under section 49-546 shall be tested as follows:

5       (a) A motor vehicle ~~manufactured in or before the 1980~~ **WITH A** model  
6 year **OF 1980 OR EARLIER** shall take and pass ~~only the A~~ curb idle test,  
7 ~~except that a diesel powered vehicle is subject to only a loaded test.~~

8       (b) A motor vehicle ~~manufactured in or after the 1981~~ **WITH A** model  
9 year **OF 1981 OR LATER, OTHER THAN A VEHICLE THAT IS EQUIPPED WITH AN**  
10 **ONBOARD DIAGNOSTIC SYSTEM THAT IS REQUIRED BY SECTION 202(m) OF THE CLEAN**  
11 **AIR ACT**, shall take and pass ~~the A~~ curb idle test and a twenty-five  
12 hundred revolutions per minute unloaded test.

13       ~~5.~~ 6. Vehicles owned or operated by the United States, this state  
14 or a political subdivision of this state shall comply with this subsection  
15 without regard to whether those vehicles are required to be registered in  
16 this state, except that alternative fuel vehicles of a school district  
17 that is located in area A, **OTHER THAN VEHICLES EQUIPPED WITH AN ONBOARD**  
18 **DIAGNOSTIC SYSTEM REQUIRED BY SECTION 202(m) OF THE CLEAN AIR ACT**, shall  
19 be required to take and pass the curb idle test and the loaded test.

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

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

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

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

41       ~~8. For any registered owner or lessee of a fleet of less than~~  
42 ~~twenty-five vehicles, a diesel powered motor vehicle with a gross vehicle~~  
43 ~~weight of more than twenty-six thousand pounds and for which gross weight~~  
44 ~~fees are paid pursuant to title 28, chapter 15, article 2 in area A shall~~  
45 ~~not be allowed to operate in area A unless it was manufactured in or after~~

~~the 1988 model year or is powered by an engine that is certified to meet or surpass emissions standards contained in 40 Code of Federal Regulations section 86.088-11 in effect on July 1, 1995. This paragraph does not apply to vehicles that are registered pursuant to title 28, chapter 7, article 7 or 8.~~

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

H. Vehicles required to be inspected shall undergo a functional test of the gas cap to determine if the cap holds pressure within limits prescribed by the director, ~~except for any vehicle that is subject to an evaporative system integrity test.~~ THIS SUBSECTION DOES NOT APPLY TO ANY DIESEL POWERED VEHICLE.

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

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

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

2. The exemption from inspection of:

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

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

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

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

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

(f) Golf carts.



1 (g) Electrically-powered vehicles.  
2 (h) Vehicles with an engine displacement of less than ninety cubic  
3 centimeters.  
4 (i) The sale of vehicles between motor vehicle dealers.  
5 (j) Vehicles leased to a person residing outside of area A or area  
6 B by a leasing company whose place of business is in area A or area B.  
7 (k) Collectible vehicles.  
8 (l) Motorcycles.  
9 (m) CRANES AND OVERSIZE VEHICLES THAT REQUIRE PERMITS PURSUANT TO  
10 SECTION 28-1100, 28-1103 OR 28-1144.  
11 (n) VEHICLES THAT ARE NOT IN USE AND THAT ARE OWNED BY RESIDENTS OF  
12 THIS STATE WHILE ON ACTIVE MILITARY DUTY OUTSIDE OF THIS STATE.  
13 3. Compiling and maintaining records of emissions test results  
14 after servicing.  
15 4. A procedure that allows the vehicle service and repair industry  
16 to compare the calibration accuracy of its emissions testing equipment  
17 with the department's calibration standards.  
18 5. Training requirements for automotive repair personnel using  
19 emissions measuring equipment whose calibration accuracy has been compared  
20 with the department's calibration standards.  
21 6. Any other rule that may be required to accomplish the provisions  
22 of this article.  
23 K. The director, after consultation with automobile manufacturers  
24 and the vehicle service and repair industry, shall establish by rule a  
25 definition of "vehicle maintenance and repairs" for motor vehicles subject  
26 to inspection under this article. The definition shall specify repair  
27 procedures that, when implemented, will reduce vehicle emissions.  
28 L. The director shall adopt rules that specify that the estimated  
29 retail cost of all recommended maintenance and repairs shall not exceed  
30 the amounts prescribed in this subsection, except that if a vehicle fails  
31 a tampering inspection there is no limit on the cost of recommended  
32 maintenance and repairs. The director shall issue a certificate of waiver  
33 for a vehicle if the director has determined that all recommended  
34 maintenance and repairs have been performed and that the vehicle has  
35 failed any reinspection that may be required by rule. If the director has  
36 determined that the vehicle is in compliance with minimum emissions  
37 standards or that all recommended maintenance and repairs for compliance  
38 with minimum emissions standards have been performed, but that tampering  
39 discovered at a tampering inspection has not been repaired, the director  
40 may issue a certificate of waiver if the owner of the vehicle provides to  
41 the director a written statement from an automobile parts or repair  
42 business that an emissions control device that is necessary to repair the  
43 tampering is not available and cannot be obtained from any usual source of  
44 supply before the vehicle's current registration expires. Rules adopted  
45 by the director for the purpose of establishing the estimated retail cost

1 of all recommended maintenance and repairs pursuant to this subsection  
2 shall specify that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 O. The director of environmental quality shall establish, in  
37 cooperation with the assistant director for the motor vehicle division of  
38 the department of transportation:

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

1           2. A written notice that shall accompany the vehicle registration  
2 application forms that are sent to vehicle owners pursuant to section  
3 28-2151 and that shall accompany or be included as part of the vehicle  
4 emissions test results that are provided to vehicle owners at the time of  
5 the vehicle emissions test. This written notice shall describe at least  
6 the following:

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

9           (b) The availability and a brief description of the vehicle repair  
10 and retrofit program established pursuant to section 49-558.02.

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

14           P. Notwithstanding any other law, if area A or area B is  
15 reclassified as an attainment area, emissions testing conducted pursuant  
16 to this article shall continue for vehicles registered inside that  
17 reclassified area, vehicles owned by a person who is subject to section  
18 15-1444 or 15-1627 and vehicles registered outside of that reclassified  
19 area but used to commute to the driver's principal place of employment  
20 located within that reclassified area.

21           Q. A fleet operator who is issued a permit pursuant to section  
22 49-546 may electronically transmit emissions inspection data to the  
23 department of transportation pursuant to rules adopted by the director of  
24 the department of transportation in consultation with the director of  
25 environmental quality.

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

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

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

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

38           V. The director of environmental quality and the director of the  
39 department of transportation shall implement a system to exchange  
40 information relating to the waiver program, including information relating  
41 to vehicle emissions test results and vehicle registration information.

42           W. Any person who sells a vehicle that has been issued a  
43 certificate of waiver pursuant to this section after January 1, 1997 and  
44 who knows that a certificate of waiver has been issued after January 1,

1 1997 for that vehicle shall disclose to the buyer before completion of the  
2 sale that a certificate of waiver has been issued for that vehicle.

3 X. Vehicles that fail the emissions test at emission levels higher  
4 than twice the standard established for that vehicle class by the  
5 department pursuant to section 49-447 are not eligible for a certificate  
6 of waiver pursuant to this section unless the vehicle is repaired  
7 sufficiently to achieve an emissions level below twice the standard for  
8 that class of vehicle.

9 Y. If an insurer notifies the department of transportation of the  
10 cancellation or nonrenewal of collectible vehicle or classic automobile  
11 insurance coverage for a collectible vehicle, the department of  
12 transportation shall cancel the registration of the vehicle and the  
13 vehicle's exemption from emissions testing pursuant to this section unless  
14 evidence of coverage is presented to the department of transportation  
15 within sixty days.

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

18 1. Either:

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

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

23 2. Meets both of the following criteria:

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

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

30 Sec. 4. Section 49-542.03, Arizona Revised Statutes, is amended to  
31 read:

32 49-542.03. Motor vehicle dealer; emissions testing; remedies;  
33 definition

34 A. In area A or area B, if a motor vehicle dealer sells a motor  
35 vehicle that has less than one year remaining before it must undergo an  
36 emissions test or has not taken an emissions test pursuant to section  
37 49-542 and that is not covered under a current federal emissions warranty  
38 and if the purchaser of the vehicle has the vehicle emissions tested  
39 within three days, excluding holidays, of the purchase and if the vehicle  
40 fails the test, the dealer shall do one of the following:

41 1. Rescind the purchase agreement and reimburse the purchaser for  
42 the cost of the test.

43 2. Make repairs at the dealer's expense ~~which~~ **THAT** bring the  
44 vehicle into compliance with the emissions test.

1           3. Enter into a mutually acceptable alternative agreement with the  
2 purchaser.

3           B. A motor vehicle dealer ~~who~~ THAT sells a vehicle subject to ~~the~~  
4 ~~provisions of~~ subsection A of this section shall provide the purchaser  
5 with a written notice of the purchaser's rights pursuant to this section  
6 ~~prior to~~ BEFORE completing the sale transaction. A motor vehicle dealer  
7 THAT IS subject to ~~the provisions of~~ section 49-546, subsection G shall  
8 also provide a written summary of the requirements of section 49-542 to  
9 the purchaser. The notice shall be available in English and in Spanish.

10          C. A motor vehicle dealer ~~who~~ THAT meets the requirements of  
11 section 49-546, subsection G shall conduct the dealer's business pursuant  
12 to this section for those vehicles ~~which~~ THAT are required by law to be  
13 registered in area A.

14          D. A motor vehicle dealer in area B ~~who~~ THAT sells a vehicle to a  
15 resident of area A may comply with emissions testing requirements pursuant  
16 to section 49-542, subsection F, paragraph ~~6~~ 5 by complying with this  
17 section and the tampering inspection pursuant to section 49-542,  
18 subsection G.

19          E. ~~in~~ FOR THE PURPOSES OF this section, ~~unless the context~~  
20 ~~otherwise requires,~~ "motor vehicle dealer" means a dealer ~~who~~ THAT is a  
21 fleet operator and ~~who~~ THAT has been issued a permit under section 49-546.

22          Sec. 5. Section 49-544, Arizona Revised Statutes, is amended to  
23 read:

24           49-544. Emissions inspection fund; composition; authorized  
25 expenditures; exemptions; investment

26          A. The emissions inspection fund is established and is subject to  
27 legislative appropriation. The emissions inspection fund shall consist  
28 of:

- 29           1. Monies appropriated to the fund by the legislature.
- 30           2. All monies collected pursuant to section 49-543, subsection A.
- 31           3. All monies collected by the director for the issuance of  
32 inspection certificates to owners of fleet emissions inspection stations.
- 33           4. Monies received from private grants or donations when so  
34 designated by the grantor or donor.
- 35           5. Monies received from the United States by grant or otherwise to  
36 assist this state in any emissions inspection program.

37          B. Monies in the emissions inspection fund may be used for the  
38 following:

- 39           1. Enforcement of the provisions of this article related to fleet  
40 emissions inspections, exemptions and certificates of waiver.
- 41           2. Payment of contractual charges to independent contractors  
42 pursuant to section 49-545.
- 43           3. Costs to the state of administering:

1 (a) The emissions inspection services performed by the independent  
2 contractor, including inspection station auditing, contractor training and  
3 certification, and motorist assistance.

4 (b) Travel reduction programs prescribed by this chapter.

5 ~~4. Funding this state's portion of the catalytic converter program~~  
6 ~~costs prescribed by section 49-542.~~

7 ~~5.~~ 4. Other costs of administering and enforcing this article.

8 C. The department of environmental quality shall approve and  
9 provide for the payment of contractual charges to independent contractors  
10 and for enforcement of the provisions of this article related to fleet  
11 emissions inspections, exemptions and certificates of waiver.

12 D. Monies in the emissions inspection fund are exempt from the  
13 provisions of section 35-190 relating to lapsing of appropriations.

14 E. On notice from the department, the state treasurer shall invest  
15 and divest monies in the fund as provided by section 35-313, and monies  
16 earned from investment shall be credited to the fund.

17 Sec. 6. Section 49-551, Arizona Revised Statutes, is amended to  
18 read:

19 ~~49-551.~~ Air quality fee; air quality fund; purpose

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

32 B. The registering officer shall collect the fees and immediately  
33 deposit, pursuant to sections 35-146 and 35-147, the air quality fees in  
34 the air quality fund established pursuant to subsection C of this section  
35 and shall deposit the diesel fees in the voluntary vehicle repair and  
36 retrofit program fund established pursuant to section ~~49-474.03~~ 49-558.02.

37 C. An air quality fund is established consisting of monies received  
38 pursuant to this section, gifts, grants and donations, and monies  
39 appropriated by the legislature. The department of environmental quality  
40 shall administer the fund. Monies in the fund are exempt from the  
41 provisions of section 35-190 relating to the lapsing of appropriations.  
42 Interest earned on monies in the fund shall be credited to the fund.  
43 Monies in the air quality fund shall be used, subject to legislative  
44 appropriation, for:

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

7           2. Monitoring visible air pollution and developing and implementing  
8 programs to reduce emissions of pollutants that contribute to visible air  
9 pollution in counties with a population of four hundred thousand persons  
10 or more.

11           3. Developing and adopting rules in compliance with sections  
12 49-426.03, 49-426.04, 49-426.05 and 49-426.06.

13           D. The department shall transfer ~~four hundred thousand dollars~~  
14 \$400,000 from the air quality fund to the department of administration for  
15 the purposes prescribed by section 49-588 in eight installments in each of  
16 the first eight months of a fiscal year.

17           E. This section does not apply to an electrically powered golf cart  
18 or an electrically powered vehicle.

19           Sec. 7. Section 49-553, Arizona Revised Statutes, is amended to  
20 read:

21           49-553. Vehicle emissions; research; cost analysis

22           A. The department of environmental quality ~~shall~~ MAY conduct  
23 research to quantify the effect of ~~alternative fuels on toxic components~~  
24 ~~of~~ vehicular emissions. ~~This shall include aldehydes, particularly~~  
25 ~~formaldehyde, benzene and other aromatics.~~

26           ~~B. The department shall acquire, with monies from the air quality~~  
27 ~~fund, equipment capable of measuring the emissions effects of the use of~~  
28 ~~oxygenated gasoline blends by means of the federal test procedures. The~~  
29 ~~department shall use the equipment for the purpose of emissions testing of~~  
30 ~~the vehicles required to be tested pursuant to statute.~~

31           ~~C.~~ B. The department may hire consultants for the purpose of  
32 analyzing the costs and benefits of the ~~carbon monoxide~~ EMISSIONS  
33 reduction measures adopted by this chapter and to design and execute and  
34 to evaluate the results of any testing program required by this chapter

35           Sec. 8. Section 49-474.03, Arizona Revised Statutes, is transferred  
36 and renumbered for placement in title 49, chapter 3, article 5, as section  
37 49-558.02 and, as so renumbered, is amended to read:

38           49-558.02. Voluntary vehicle repair and retrofit program;  
39 criteria; fund; report

40           A. ~~A county with a population of more than four hundred thousand~~  
41 ~~persons according to the most recent United States decennial census shall~~  
42 ~~operate and administer a voluntary vehicle repair and retrofit program in~~  
43 ~~the county. The county shall coordinate the program with the department~~  
44 ~~of environmental quality and the department of transportation. THE~~  
45 ~~DEPARTMENT SHALL OPERATE AND ADMINISTER A VOLUNTARY VEHICLE REPAIR AND~~

1 RETROFIT PROGRAM IN AREAS THAT ARE SUBJECT TO THE VEHICLE EMISSIONS  
2 INSPECTION PROGRAM ESTABLISHED BY THIS ARTICLE. A vehicle owner's  
3 participation is voluntary. The ~~county~~ DEPARTMENT may contract with an  
4 independent contractor to develop and implement all or any portion of the  
5 program. The program shall provide for ~~real and~~ quantifiable emissions  
6 ~~reduction based on actual emissions testing performed on the vehicle~~  
7 ~~before repair or retrofit~~ REDUCTIONS.

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

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

11 2. The vehicle being repaired or retrofitted is functionally  
12 operational.

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

17 ~~4. The vehicle being repaired or retrofitted is at least twelve~~  
18 ~~years older than the current calendar year.~~

19 ~~5.~~ 4. The vehicle is required to take the emissions inspection  
20 test and the vehicle fails the emissions test in the emissions inspection  
21 results portion of the test. The vehicle owner shall apply to the program  
22 not more than sixty days after failing the test.

23 ~~6.~~ 5. The emissions control system has not been tampered with.

24 ~~7.~~ 6. The emissions control system has not been removed or  
25 disabled, in whole or in part.

26 ~~8.~~ 7. The vehicle is taken to a participating repair facility.  
27 Any repairs performed at an unauthorized repair facility are not eligible  
28 for payment.

29 ~~9.~~ 8. Participation in the program is limited to one vehicle per  
30 owner.

31 ~~10.~~ 9. Motor homes, motorcycles, ~~AND~~ salvage ~~vehicles~~ and fleet  
32 vehicles are not eligible to participate in the program.

33 C. Notwithstanding subsection B or D of this section, diesel  
34 powered motor vehicles with a gross vehicle rating of more than eight  
35 thousand five hundred pounds, that are ~~registered in area A or B, as~~  
36 ~~defined pursuant to section 49-541,~~ SUBJECT TO THE VEHICLE EMISSIONS  
37 INSPECTION PROGRAM and that fail any random roadside vehicle test  
38 conducted by the state or that fail the emissions test conducted pursuant  
39 to section 49-542 are eligible for up to ~~one thousand dollars~~ \$1,000 in  
40 repair or retrofit costs from the program. Qualified vehicle owners  
41 pursuant to this subsection shall be responsible for one-half of the costs  
42 of the qualified repairs and the other half of the costs shall be funded  
43 from the program up to ~~one thousand dollars~~ \$1,000. An owner of vehicles  
44 that are registered as a fleet shall not receive more than ~~ten thousand~~  
45 ~~dollars~~ \$10,000 in total monies. ~~No~~ NOT more than twenty-five ~~per cent~~



1 PERCENT of the program funds in any year may be used for the purposes of  
2 this subsection.

3 D. The ~~county~~ DEPARTMENT shall operate and administer an emissions  
4 control repair and retrofit program in cooperation with the ~~department~~  
5 COUNTY that provides that:

6 1. Vehicle owners who qualify for the repair and retrofit program  
7 shall pay the first ~~one hundred fifty dollars~~ \$100 as a copayment.

8 2. Vehicles that require more than ~~seven hundred dollars~~ \$1,000 in  
9 repair OR RETROFIT costs are not eligible unless the vehicle owner chooses  
10 to pay additional costs.

11 ~~3. A vehicle that is able to accept a retrofit kit shall have a~~  
12 ~~retrofit kit installed. A vehicle that requires more than eight hundred~~  
13 ~~dollars in aggregated retrofit parts and labor costs is not eligible for~~  
14 ~~the program unless the vehicle owner pays the additional costs.~~

15 ~~E. A county with a population of more than one million two hundred~~  
16 ~~thousand persons shall operate and administer a program to replace~~  
17 ~~catalytic converters on motor vehicles that fail to meet emissions~~  
18 ~~standards due to failure of the catalytic converter system if that failure~~  
19 ~~is not the result of tampering.~~

20 ~~F.~~ E. The voluntary vehicle repair and retrofit program fund is  
21 established. The director shall administer the fund. Not more than five  
22 ~~per cent~~ PERCENT of the monies in the fund may be used for the purpose of  
23 educating the general public about the program and eligibility for the  
24 program. The fund consists of monies from the following sources:

- 25 1. Monies appropriated by the legislature.
- 26 2. Monies appropriated by political subdivisions.
- 27 3. Monies deposited pursuant to section 49-551, subsection B.
- 28 4. Gifts, grants and donations.

29 ~~G.~~ F. ~~By~~ ON OR BEFORE December 1 of each year, the ~~county~~  
30 DEPARTMENT shall prepare and submit a progress report to ~~the department of~~  
31 ~~environmental quality,~~ the department of transportation, the speaker of  
32 the house of representatives, the president of the senate, the  
33 governor, ~~AND~~ the secretary of state ~~and the director of the Arizona~~  
34 ~~state library, archives and public records~~ on the voluntary vehicle repair  
35 and retrofit program that contains at least the following information:

- 36 1. The number of vehicles repaired or retrofitted by model year.
- 37 2. The cost-effectiveness of the program in terms of dollars spent  
38 per ton of vehicle emissions reductions.
- 39 3. Any recommendations for improving the effectiveness of the  
40 program.
- 41 4. The administrative costs of the program.

1           Sec. 9. Conditional enactment

2           A. Section 49-542, Arizona Revised Statutes, as amended by section  
3 3 of this act, and section 49-542.03, Arizona Revised Statutes, as amended  
4 by this act, do not become effective unless on or before July 1, 2023 the  
5 United States environmental protection agency approves the proposed  
6 modifications to the vehicle emissions testing program protocols as part  
7 of the state implementation plan for air quality.

8           B. The director of the department of environmental quality shall  
9 notify in writing the director of the Arizona legislative council on or  
10 before September 1, 2023 either:

- 11           1. Of the date on which the condition was met.  
12           2. That the condition was not met.

APPROVED BY THE GOVERNOR FEBRUARY 18, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 18, 2021.