

House Engrossed

~~minerals, land inventory, technical correction~~
(now: emissions; voluntary vehicle repair; timeline)

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2104

AN ACT

AMENDING SECTION 49-542, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 27, SECTION 2 AND CHAPTER 116, SECTION 1; AMENDING SECTION 49-542, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2024, CHAPTER 150, SECTION 6; AMENDING SECTIONS 49-551 AND 49-558.02, ARIZONA REVISED STATUTES; RELATING TO ANNUAL EMISSIONS INSPECTION OF MOTOR VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

27 B. The state's annual or biennial emissions inspection program
28 shall provide for vehicle inspections at official emissions inspection
29 stations or at fleet emissions inspection stations or may provide for
30 remote vehicle inspection. Each official inspection station in area A
31 shall employ at least one technical assistant who is available during the
32 station's hours of operation to provide assistance for persons who fail
33 the emissions test. An official or fleet emissions inspection station
34 permit shall not be sold, assigned, transferred, conveyed or removed to
35 another location except on such terms and conditions as the director may
36 prescribe. The director shall establish a pilot program to provide for
37 remote vehicle inspections in area A and area B. The director shall
38 operate the pilot program for at least three consecutive years and shall
39 complete the pilot program before July 1, 2025. On completion of the
40 pilot program, the director shall submit to the joint legislative budget
41 committee and the office of the governor a report summarizing the results
42 of the pilot program. The director shall submit the report before the
43 department implements any full scale remote vehicle inspection program and
44 shall include in the report a summary of the data collected during the
45 pilot program and a certification by the director that, based on the data
46 collected during the pilot program, a full scale implementation of a
47 remote vehicle inspection program will increase the efficiency and reduce
48 the 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 the provisions of this
5 article not more than ninety days before each registration expiration
6 date. A vehicle may be submitted voluntarily for inspection more than
7 ninety days before the registration expiration date on payment of the
8 prescribed inspection fee. That voluntary inspection may be considered as
9 compliance with the registration requirement pursuant to subsection D of
10 this section only on 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.
14 A 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
16 dealer licensed to sell motor vehicles pursuant to title 28, the cost of
17 any inspection and any repairs necessary to pass the inspection shall be
18 borne by the dealer. A dealer who is licensed to sell motor vehicles
19 pursuant to title 28 and whose place of business is located in area A or
20 area B shall not deliver any vehicle to the retail purchaser until the
21 vehicle passes any inspection required by this article, except if the
22 vehicle is a collectible vehicle and the retail purchaser obtains
23 collectible vehicle or classic automobile insurance coverage as prescribed
24 in subsection Z of this section before delivery or the vehicle is
25 otherwise exempt under subsection 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
28 exempt under this section, the registering officer shall issue an air
29 quality compliance sticker to the registered owner that shall be placed on
30 the vehicle as prescribed by rule adopted by the department of
31 transportation or issue a modified year validating tab as prescribed by
32 rule adopted by the department of transportation. Those persons who
33 reside outside of area A or area B but who elect to test their vehicle or
34 are required to test their vehicle pursuant to this section and who comply
35 with the minimum emissions standards pursuant to this section or are
36 otherwise exempt under this section shall remit a compliance form, as
37 prescribed by the department of transportation, and proof of compliance
38 issued at an official emissions inspection station to the department of
39 transportation along with the appropriate fees. The department of
40 transportation shall then issue the person an air quality compliance
41 sticker that shall be placed on the vehicle as prescribed by rule adopted
42 by the department of transportation. The registering officer or the
43 department of transportation shall collect an air quality compliance fee
44 of \$.25. The registering officer or the department of transportation
45 shall deposit, pursuant to sections 35-146 and 35-147, the air quality
46 compliance fee in the state highway fund established by section 28-6991.
47 The department of transportation shall deposit, pursuant to sections
48 35-146 and 35-147, any emissions inspection fee in the emissions

1 inspection fund. The provisions of this subsection do not apply to those
2 vehicles registered pursuant to title 28, chapter 7, article 7 or 8, the
3 sale of vehicles between motor vehicle dealers or vehicles leased to a
4 person residing outside of area A or area B by a leasing company whose
5 place of business is in area A or area B.

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

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

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

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

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

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

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

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

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

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

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

48 (i) An evaporative system purge test.

1 (ii) An evaporative system integrity test.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 2. The exemption from inspection of:

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

33 (b) New vehicles originally registered at the time of initial
34 retail sale and titling in this state pursuant to section 28-2153 or
35 28-2154.

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

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

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

44 (f) Golf carts.

45 (g) Electrically-powered vehicles.

46 (h) Vehicles with an engine displacement of less than ninety cubic
47 centimeters.

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

3 (k) Collectible vehicles.

4 (1) Motorcycles.

5 3. Compiling and maintaining records of emissions test results
6 after servicing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 O. The director of environmental quality shall establish, in
26 cooperation with the assistant director for the motor vehicle division of
27 the department of transportation:

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

32 2. A written notice that shall accompany the vehicle registration
33 application forms that are sent to vehicle owners pursuant to section
34 28-2151 and that shall accompany or be included as part of the vehicle
35 emissions test results that are provided to vehicle owners at the time of
36 the vehicle emissions test. This written notice shall describe at least
37 the following:

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

40 (b) The availability and a brief description of the VOLUNTARY
41 vehicle repair ~~and retrofit~~ program established pursuant to section
42 49-558.02.

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

46 P. Notwithstanding any other law, if area A or area B is
47 reclassified as an attainment area, emissions testing conducted pursuant
48 to this article shall continue for vehicles registered inside that

1 reclassified area, vehicles owned by a person who is subject to section
2 15-1444 or 15-1627 and vehicles registered outside of that reclassified
3 area but used to commute to the driver's principal place of employment
4 located within that reclassified area.

5 Q. A fleet operator who is issued a permit pursuant to section
6 49-546 may electronically transmit emissions inspection data to the
7 department of transportation pursuant to rules adopted by the director of
8 the department of transportation in consultation with the director of
9 environmental quality.

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

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

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

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

22 V. The director of environmental quality and the director of the
23 department of transportation shall implement a system to exchange
24 information relating to the waiver program, including information relating
25 to vehicle emissions test results and vehicle registration information.

26 W. Any person who sells a vehicle that has been issued a
27 certificate of waiver pursuant to this section after January 1, 1997 and
28 who knows that a certificate of waiver has been issued after January 1,
29 1997 for that vehicle shall disclose to the buyer before completion of the
30 sale that a certificate of waiver has been issued for that vehicle.

31 X. Vehicles that fail the emissions test at emission levels higher
32 than twice the standard established for that vehicle class by the
33 department pursuant to section 49-447 are not eligible for a certificate
34 of waiver pursuant to this section unless the vehicle is repaired
35 sufficiently to achieve an emissions level below twice the standard for
36 that class of vehicle.

37 Y. If an insurer notifies the department of transportation of the
38 cancellation or nonrenewal of collectible vehicle or classic automobile
39 insurance coverage for a collectible vehicle, the department of
40 transportation shall cancel the registration of the vehicle and the
41 vehicle's exemption from emissions testing pursuant to this section unless
42 evidence of coverage is presented to the department of transportation
43 within sixty days.

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

46 1. Either:

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

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

3 2. Meets both of the following criteria:

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

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

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

12 49-542. Emissions inspection program; powers and duties of
13 director; administration; periodic inspection;
14 minimum standards and rules; exceptions; definition

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

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

1 of the pilot program. The director shall submit the report before the
2 department implements any full-scale remote vehicle inspection program and
3 shall include in the report a summary of the data collected during the
4 pilot program and a certification by the director that, based on the data
5 collected during the pilot program, a full scale implementation of a
6 remote vehicle inspection program will increase the efficiency and reduce
7 the costs of the vehicle emissions inspection program.

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

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

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

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

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

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

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

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

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

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

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

36 (b) A motor vehicle with a model year of 1981 or later, with a
37 gross vehicle weight rating of less than eight thousand five hundred one
38 pounds, other than a vehicle covered by subdivision (a) of this paragraph,
39 shall be required to take and pass a transient loaded test. A motor
40 vehicle with a model year of 1981 or later, with a gross vehicle weight
41 rating of more than eight thousand five hundred one pounds, other than a
42 vehicle covered by subdivision (a) of this paragraph, shall be required to
43 take and pass a steady state loaded test, a curb idle test or another test
44 approved under the federal clean air act.

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

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

3 (i) An evaporative system purge test.

4 (ii) An evaporative system integrity test.

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

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

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

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

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

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

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

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

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

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

40 7. A diesel powered motor vehicle with a gross vehicle weight of
41 more than twenty-six thousand pounds and for which gross weight fees are
42 paid pursuant to title 28, chapter 15, article 2 in area A shall not be
43 allowed to operate in area A unless it was manufactured in or after the
44 1988 model year or is powered by an engine that is certified to meet or
45 surpass emissions standards contained in 40 Code of Federal Regulations
46 section 86.088-11 in effect on July 1, 1995. This paragraph does not
47 apply to vehicles that are registered pursuant to title 28, chapter 7,
48 article 7 or 8.

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

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

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

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

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

19 2. The exemption from inspection of:

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

27 (b) New vehicles originally registered at the time of initial
28 retail sale and titling in this state pursuant to section 28-2153 or
29 28-2154.

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

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

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

38 (f) Golf carts.

39 (g) Electrically powered vehicles.

40 (h) Vehicles with an engine displacement of less than ninety cubic
41 centimeters.

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

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

45 (k) Collectible vehicles.

46 (l) Motorcycles.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 3. 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 (a) \$50 for such a vehicle manufactured in or before the 1974 model
11 year.

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

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

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

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

23 0. The director of environmental quality shall establish, in
24 cooperation with the assistant director for the motor vehicle division of
25 the department of transportation:

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

30 2. A written notice that shall accompany the vehicle registration
31 application forms that are sent to vehicle owners pursuant to section
32 28-2151 and that shall accompany or be included as part of the vehicle
33 emissions test results that are provided to vehicle owners at the time of
34 the vehicle emissions test. This written notice shall describe at least
35 the following:

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

38 (b) The availability and a brief description of the VOLUNTARY
39 vehicle repair ~~and retrofit~~ program established pursuant to section
40 49-558.02.

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

44 P. Notwithstanding any other law, if area A or area B is
45 reclassified as an attainment area, emissions testing conducted pursuant
46 to this article shall continue for vehicles registered inside that
47 reclassified area, vehicles owned by a person who is subject to section
48 15-1444 or 15-1627 and vehicles registered outside of that reclassified

1 area but used to commute to the driver's principal place of employment
2 located within that reclassified area.

3 Q. A fleet operator who is issued a permit pursuant to section
4 49-546 may electronically transmit emissions inspection data to the
5 department of transportation pursuant to rules adopted by the director of
6 the department of transportation in consultation with the director of
7 environmental quality.

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

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

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

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

20 V. The director of environmental quality and the director of the
21 department of transportation shall implement a system to exchange
22 information relating to the waiver program, including information relating
23 to vehicle emissions test results and vehicle registration information.

24 W. Any person who sells a vehicle that has been issued a
25 certificate of waiver pursuant to this section after January 1, 1997 and
26 who knows that a certificate of waiver has been issued after January 1,
27 1997 for that vehicle shall disclose to the buyer before completion of the
28 sale that a certificate of waiver has been issued for that vehicle.

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

35 Y. If an insurer notifies the department of transportation of the
36 cancellation or nonrenewal of collectible vehicle or classic automobile
37 insurance coverage for a collectible vehicle, the department of
38 transportation shall cancel the registration of the vehicle and the
39 vehicle's exemption from emissions testing pursuant to this section unless
40 evidence of coverage is presented to the department of transportation
41 within sixty days.

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

44 1. Either:

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

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

1 2. Meets both of the following criteria:

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

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

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

10 49-551. Air quality fee; air quality fund; purpose

11 A. Every person who is required to register a motor vehicle in this
12 state pursuant to section 28-2153 shall pay, in addition to the
13 registration fee, an annual air quality fee at the time of vehicle
14 registration of \$1.50. Unless and until the United States environmental
15 protection agency grants a waiver for diesel fuel pursuant to section
16 211(c)(4) of the clean air act, every person who is required to register a
17 diesel powered motor vehicle in this state with a declared gross weight as
18 defined in section 28-5431 of more than eight thousand five hundred pounds
19 and every person who is subject to an apportioned fee for diesel powered
20 motor vehicles collected pursuant to title 28, chapter 7, articles 7 and 8
21 shall pay an additional apportioned diesel fee of \$10.

22 B. The registering officer shall collect the fees and immediately
23 deposit, pursuant to sections 35-146 and 35-147, the air quality fees in
24 the air quality fund established pursuant to BY subsection C of this
25 section and shall deposit the diesel fees in the voluntary vehicle repair
26 and retrofit program fund established pursuant to section 49-558.02.

27 C. ~~AN~~ THE air quality fund is established consisting of monies
28 received pursuant to this section, gifts, grants and donations, and monies
29 appropriated by the legislature. The department of environmental quality
30 shall administer the fund. Monies in the fund are exempt from the
31 provisions of section 35-190 relating to the lapsing of appropriations.
32 Interest earned on monies in the fund shall be credited to the fund.
33 Monies in the air quality fund shall be used, subject to legislative
34 appropriation, for:

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

41 2. Monitoring visible air pollution and developing and implementing
42 programs to reduce emissions of pollutants that contribute to visible air
43 pollution in counties with a population of four hundred thousand persons
44 or more.

45 3. Developing and adopting rules in compliance with sections
46 49-426.03, 49-426.04, 49-426.05 and 49-426.06.

47 D. The department OF ENVIRONMENTAL QUALITY shall transfer \$400,000
48 from the air quality fund to the department of administration for the

1 purposes prescribed by section 49-588 in eight installments in each of the
2 first eight months of a fiscal year.

3 E. This section does not apply to an electrically powered golf cart
4 or an electrically powered vehicle.

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

7 49-558.02. Voluntary vehicle repair program; criteria; fund;
8 report; definition

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

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

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

18 2. The vehicle being repaired ~~or retrofitted~~ is functionally
19 operational.

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

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

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

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

32 7. The vehicle is taken to a participating repair facility. Any
33 repairs performed at an unauthorized repair facility are not eligible for
34 payment.

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

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

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

41 11. THE VEHICLE OWNER REPAIRS THE VEHICLE NOT MORE THAN SIXTY DAYS
42 AFTER ACCEPTANCE INTO THE PROGRAM.

43 C. Notwithstanding subsection B or D of this section, diesel
44 powered motor vehicles with a gross vehicle rating of more than eight
45 thousand five hundred pounds, that are subject to the vehicle emissions
46 inspection program and ~~that fail any random roadside vehicle test~~
47 ~~conducted by the state or~~ that fail the emissions test conducted pursuant
48 to section 49-542 are eligible for up to \$1,000 in repair ~~or retrofit~~

1 costs from the program. Qualified vehicle owners pursuant to this
2 subsection shall be responsible for one-half of the costs of the qualified
3 repairs and the other half of the costs shall be funded from the program
4 up to \$1,000. An owner of vehicles that are registered as a fleet shall
5 not receive more than \$10,000 in total monies. Not more than twenty-five
6 percent of the program funds in any year may be used for the purposes of
7 this subsection.

8 D. The department shall operate and administer an emissions control
9 repair ~~and retrofit~~ program ~~in cooperation with the county~~ that provides
10 that:

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

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

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

21 1. Monies appropriated by the legislature.
22 2. Monies appropriated by political subdivisions.
23 3. Monies deposited pursuant to section 49-551, subsection B.
24 4. Gifts, grants and donations.

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

31 1. The number of vehicles repaired ~~or retrofitted~~ by model year.
32 2. The cost-effectiveness of the program in terms of dollars spent
33 per ton of vehicle emissions reductions.

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

36 4. The administrative costs of the program.

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

39 Sec. 5. Conditional enactment

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