# ARIZONA HOUSE OF REPRESENTATIVES



Fifty-fifth Legislature First Regular Session

HB 2329: air quality; omnibus Sponsor: Representative Toma, LD 22 Committee on Natural Resources, Energy & Water

## Overview

Make several changes to the Vehicle Emissions Inspection Program (VEIP) and Voluntary Vehicle Repair and Retrofit Program (VVRRP). Conditions enactment of some VEIP changes on the Environmental Protection Agency's approval of Arizona's vehicle emissions testing protocols.

## **History**

The Clean Air Act protects human health and the environment from air pollution by requiring the Environmental Protection Agency (EPA) to establish National Ambient Air Quality Standards to protect public health and welfare. The EPA has set standards for six common pollutants, including carbon monoxide, ozone and particulate pollution. States are primarily responsible for enforcing compliance with these standards (42 U.S.C. § 7409). It also authorizes the EPA to adopt regulations that limit pollutants in vehicle emissions and require certain equipment to be installed in new model year vehicles, such as diagnostic systems that identify deteriorations and errors in the vehicles' emissions-related systems (42 U.S.C. § 7521). Each state must adopt a state implementation plan that contains measures to control emissions from all major sources in areas that do not comply with these air quality standards and that are consistent with EPA regulations. The EPA must approve this plan (42 U.S.C. § 7410).

ADEQ administers the VEIP and VVRRP to reduce emissions of carbon monoxide, volatile organic compounds and nitrogen oxides and to comply with other federal regulatory requirements, which collectively help Arizona comply with the Clean Air Act.

## **VEIP**

As part of the VEIP, vehicles that are registered in Area A (the Phoenix metropolitan area and parts of Pinal and Yavapai Counties) and Area B (the Tucson metropolitan area), or that are used to commute to workplaces in these areas, must pass annual or biennial inspections to ensure compliance with minimum emissions standards. The ADEQ Director is responsible for adopting these standards, which are based on the class of vehicle and location in the Phoenix or Tucson metropolitan area. A vehicle cannot be sold in these metropolitan areas or registered until it has passed an inspection (A.R.S. § 49-542). Additionally, car dealers in these areas must, under certain circumstances, repair a vehicle, reimburse the buyer for the cost of a failed test or enter into an alternative agreement if a vehicle they recently sold fails an emissions test (A.R.S. § 49-542.03).

Statute also requires ADEQ to research and quantify the effect of alternative fuels on toxic components of vehicle emissions. ADEQ must use monies from the Air Quality Fund to purchase equipment to measure the effects of using oxygenated gasoline blends (<u>A.R.S. § 49-553</u>).

## **VVRRP**

The VVRRP was created in 1998 and requires each county with more than 400,000 people to operate and administer this program. Someone who owns a car that is a least 12 years old, fails

an emissions inspection test and meets other statutory criteria can participate in this program. In return for the owner providing a \$150 copayment, a vehicle can be repaired or have a retrofit kit installed provided the repair, parts and labor costs do not exceed certain limits established in statute (A.R.S. § 49-474.03). Participating county boards of supervisors must appoint a committee to advise and make recommendations on developing and implementing this program (A.R.S. § 49-474.04).

Statute also requires each county with more than 1,200,000 residents to operate and administer a similar program to replace catalytic converters on vehicles that fail emissions tests (<u>A.R.S. §</u> 49-474.03(E)).

## **Provisions**

### **VEIP**

- 1. Removes the mandates that ADEQ:
  - a) Conduct research to quantify the effects of alternative fuels on toxic components of vehicle emissions and instead allows ADEQ to research the quantifiable effects of vehicle emissions; and
  - b) Acquire equipment with Air Quality Fund monies to measure the effects of oxygenated gasoline blends in vehicle emissions testing. (Sec. 7)
- 2. Authorizes ADEQ to hire consultants to analyze the costs and benefits of measures to reduce emissions instead of just carbon dioxide. (Sec. 7)
- 3. Conditions the following provisions on becoming effective if the EPA approves changes to the proposed vehicle emissions testing program protocols as part of the state implementation plan by July 1, 2023 (Sec. 3, 4 and 9):
  - a) Requires, for determining compliance with minimum emissions standards in Area B, motor vehicles other than diesel powered vehicles or constant four-wheel drive vehicles that:
    - i. Have an onboard diagnostic system required by the Clean Air Act to pass an onboard diagnostic test or a steady state loaded test and curb idle test as approved by the ADEQ Director;
    - ii. Are model year 1981 or later and lack this diagnostic system to pass a steady state loaded test and curb idle test:
    - iii. Do not meet the two criteria above to take and pass a curb idle test. (Sec. 3)
  - b) Requires, for determining compliance with minimum emissions standards and functional tests in Area A, motor vehicles other than diesel powered vehicles or constant four-wheel drive vehicles that:
    - i. Have an onboard diagnostic system required by the Clean Air Act to pass an onboard diagnostic test or a transient loaded test as approved by the ADEQ Director;
    - ii. Are model year 1981 or later and lack this diagnostic system to pass a transient loaded test: and
    - iii. Do not meet the two criteria above to pass a steady state loaded test and curb idle test. (Sec. 3)
  - c) Requires, for determining compliance with minimum emissions standards in Area A or Area B, diesel powered motor vehicles that:
    - i. Have an onboard diagnostic system required by the Clean Air Act to pass an onboard diagnostic test or an opacity test as approved by the ADEQ Director;
    - ii. Do not meet this criterion to pass the following emissions tests:
      - ➤ A loaded, transient or any other form of test as provided for in rules adopted by the ADEQ Director for vehicles with a gross vehicle weight rating of 8,500 pounds or less; and
      - ➤ A test that conforms with the Society for Automotive Engineers Standards j1667 for vehicles with a gross vehicle weight rating of more than 8,500 pounds. (Sec. 3)

- d) Requires all fleet operators to comply with the VEIP's requirements, but additionally requires used vehicles (except those powered by diesel) sold by dealers who are fleet operators and have a permit to operate a fleet emissions inspection station to pass the following tests:
  - i. A curb idle test for 1980 model year or earlier vehicle;
  - ii. A curb idle test and a 2,500 revolutions per minute unload test for 1981 model year or later vehicles, except for those equipped with an onboard diagnostic system required by the Clean Air Act (Sec. 3)
- e) Exempts alternative fuel vehicles owned by Area A school districts and equipped with an onboard diagnostic system required by the Clean Air Act from taking and passing a curb idle test and loaded test. (Sec. 3)
- f) Deletes language involving compliance with minimum emissions standards for fleet operators in Area A. (Sec. 3)
- g) Eliminates an exemption for registered owners or lessee of a fleet of less than 25 diesel-powered vehicles with a gross weight of more than 26,000 pounds in Area A from the requirement that these vehicles are manufactured after the 1988 model year or powered by an engine that complies with federal emissions standards. (Sec. 3)
- h) Exempts diesel-powered vehicles from undergoing a functional test of the gas cap to determine if it holds pressure within limits prescribed by the ADEQ Director. (Sec 3.)
- i) Authorizes the ADEQ Director to adopt rules to exempt from inspection:
  - i. Cranes and oversized vehicles that require permits to travel on highways; and
  - ii. Vehicles that are not in use and are owned by Arizona residents while on active military duty outside of this state. (Sec. 3)
- j) Requires an Area B motor vehicle dealer that sells a vehicle to an Area A resident to comply with emissions testing requirements for fleet operators (Sec. 4)

### **VVRRP**

- 4. Repeals the requirement that counties with over 400,000 people operate and administer a VVRRP and instead directs ADEQ to operate and administer this program in areas that are subject to the VEIP in cooperation with counties. (Sec. 8)
- 5. Authorizes ADEQ to contract with an independent contractor to develop and implement all or any portion of this program. (Sec. 8)
- 6. Replaces the mandate that this program provide quantifiable emissions reductions based on emissions testing before the repair and retrofit with a mandate that it provide quantifiable emissions reductions. (Sec. 8)
- 7. Clarifies that diesel vehicles with a gross rating of more than 8,500 pounds, that are subject to the VEIP and that fail any random roadside vehicle test or VEIP emissions test are eligible for up to \$1,000 in repair and retrofit costs through this program. (Sec. 8)
- 8. Reduces the customer copayment for those who qualify for this program from \$150 to \$100. (Sec. 8)
- 9. Increases, from \$700 to \$1,000, the required amount of repair or retrofit costs that render a vehicle ineligible for the program unless its owner chooses to pay additional costs. (Sec. 8)
- 10. Eliminates the requirements that:
  - a) A vehicle must be 12 years or older to participate in this program;
  - b) A vehicle have a retrofit kit installed if it can accept it; and
  - c) A county with over 1.2 million people operate and administer a program to replace catalytic converters on vehicles that do not meet emissions standards due to this system's failure. (Sec. 8)

- 11. Directs ADEQ to submit a progress report to the Arizona Department of Transportation, Speaker of the House, Senate President, Governor and Secretary of State on this program. (Sec. 8)
- 12. Terminates the VVRRP advisory committee. (Sec. 1)

## Miscellaneous

- 13. Instructs the ADEQ Director to notify the Arizona Legislative Council Director by September 1, 2023 if the EPA approved proposed changes to the vehicle emissions testing program protocols. (Sec. 9)
- 14. Makes technical and conforming changes. (Sec. 2 through 8)