



# House of Representatives

General Assembly

**File No. 338**

January Session, 2001

Substitute House Bill No. 6645

*House of Representatives, April 18, 2001*

The Committee on Transportation reported through REP. COCCO of the 127th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE MOTOR VEHICLE EMISSIONS INSPECTION PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 14-49b of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (a) For [the] each new registration or renewal of registration of any  
4 motor vehicle with the Commissioner of Motor Vehicles pursuant to  
5 this chapter, the person registering such vehicle shall pay to the  
6 commissioner a fee of [four] ten dollars [at the time of each renewal of  
7 registration] for registration for a biennial period and five dollars for  
8 registration for an annual period, except that any individual who is  
9 sixty-five years of age or older on or after January 1, 1994, may, at [his  
10 discretion] the discretion of such individual, pay the fee for either a  
11 one-year or two-year period. The provisions of this section shall not  
12 apply with respect to any motor vehicle which is not self-propelled,  
13 which is electrically powered, or which is exempted from payment of a

14 registration fee. This fee may be identified as the "federal Clean Air Act  
15 fee" on any registration form provided by the commissioner. Payments  
16 collected pursuant to the provisions of this section shall be deposited  
17 as follows: (1) Fifty-seven and one-half per cent of such payments  
18 collected shall be deposited into the Special Transportation Fund  
19 established pursuant to section 13b-68, and (2) forty-two and one-half  
20 per cent of such payments collected shall be deposited in a treasurer's  
21 account and credited to a separate, nonlapsing federal Clean Air Act  
22 account which shall be established by the Comptroller within the  
23 General Fund. The federal Clean Air Act account may be used to pay  
24 any costs to state agencies of implementing the requirements of the  
25 federal Clean Air Act Amendments of 1990 that are not otherwise met  
26 by the fees collected pursuant to section 22a-174a. All moneys  
27 deposited in this account are deemed to be appropriated for this  
28 purpose. The fee required by this section is in addition to any other  
29 fees prescribed by any other provision of this title for the registration  
30 of a motor vehicle.

31 Sec. 2. Section 14-164c of the general statutes is repealed and the  
32 following is substituted in lieu thereof:

33 (a) No person shall fail to maintain in good working order or  
34 remove, dismantle or otherwise cause to be inoperative any equipment  
35 or feature constituting an operational element of the air pollution  
36 control system or mechanism of a motor vehicle required by  
37 regulations of the Commissioner of Environmental Protection to be  
38 maintained or on the vehicle. Any such failure to maintain in good  
39 working order or removal, dismantling or causing of inoperability  
40 shall subject the owner thereof to revocation of registration for such  
41 vehicle by the Commissioner of Motor Vehicles unless all parts and  
42 equipment constituting elements of air pollution control have been  
43 made operable and in good working order within thirty days of notice  
44 by said commissioner of such violation. Any such failure shall be  
45 considered a failure to comply with the periodic inspection

46 requirements established under subsection (c) of this section. As used  
47 in this section, motor vehicle shall have the same meaning as is  
48 provided in section 14-1.

49 (b) The Commissioner of Environmental Protection shall consult  
50 with the Commissioner of Motor Vehicles and furnish [him] the  
51 commissioner with technical information, including testing techniques,  
52 standards and instructions for emission control features and  
53 equipment. The Commissioner of Environmental Protection shall  
54 furnish the Commissioner of Motor Vehicles with emission standards  
55 for all motor vehicles designated as a 1968 or later model. Such  
56 standards shall be consistent with provisions of federal law, if any,  
57 relating to control of emissions from the vehicles concerned or any  
58 regulations adopted by the Commissioner of Environmental Protection  
59 which implement the low-emission vehicle and clean fuels regulations  
60 adopted by the state of California, as amended. Such standards shall  
61 be periodically reviewed by the Commissioner of Environmental  
62 Protection and revised, if necessary, to achieve the objectives of the  
63 vehicle emission inspection program.

64 (c) The commissioner shall adopt regulations, in accordance with  
65 chapter 54, to implement the provisions of this section. Such  
66 regulations shall include provision for a periodic inspection of air  
67 pollution control equipment and compliance or waiver with exhaust  
68 emission standards or compliance or waiver with on-board diagnostic  
69 standards or other standards defined by the Commissioner of  
70 Environmental Protection and approved by the Administrator of the  
71 United States Environmental Protection Agency, compliance or waiver  
72 with, air pollution control system integrity standards defined by the  
73 Commissioner of Environmental Protection and compliance or waiver  
74 with purge system standards defined by the Commissioner of  
75 Environmental Protection. Such regulations shall provide for an  
76 inspection procedure using an on-board diagnostic information system  
77 for all 1996 model year and newer motor vehicles. Such regulations

78 shall apply to all motor vehicles registered or which will be registered  
79 in this state except: (1) Vehicles having a gross weight of more than ten  
80 thousand pounds; (2) vehicles powered by electricity; (3) bicycles with  
81 motors attached; (4) motorcycles; (5) vehicles operating with a  
82 temporary registration; (6) vehicles manufactured twenty-five or more  
83 years ago; (7) new vehicles at the time of initial registration; (8)  
84 vehicles registered but not designed primarily for highway use; (9)  
85 farm vehicles, as defined in subsection (q) of section 14-49; (10)  
86 antique, rare or special interest motor vehicles, as defined in section 14-  
87 1; (11) diesel-powered type II school buses; or (12) a vehicle operated  
88 by a licensed dealer or repairer either to or from a location of the  
89 purchase or sale of such vehicle or for the purpose of obtaining an  
90 official emissions or safety inspection. [Not later than October 1,] On  
91 and after July 1, 2002, such regulations shall exempt from the periodic  
92 inspection requirement any vehicle [manufactured] four or less [years  
93 ago] model years of age, beginning with model year 2003 and the  
94 previous three model years, provided that such exemption shall lapse  
95 upon a finding by the Administrator of the United States  
96 Environmental Protection Agency or by the Secretary of the United  
97 States Department of Transportation that such exemption causes the  
98 state to violate applicable federal environmental or transportation  
99 planning requirements. Notwithstanding any provisions of this  
100 subsection, the commissioner may require an initial emissions  
101 inspection and compliance or waiver prior to registration of a new  
102 motor vehicle. If the Commissioner of Environmental Protection finds  
103 that it is necessary to inspect motor vehicles which are exempt under  
104 subdivision (1) or (4) of this subsection, or motor vehicles that are four  
105 or less model years of age in order to achieve compliance with federal  
106 law concerning emission reduction requirements, the Commissioner of  
107 Motor Vehicles may adopt regulations, in accordance with the  
108 provisions of chapter 54, to require the inspection of motorcycles,  
109 designated motor vehicles having a gross weight of more than ten  
110 thousand pounds or motor vehicles four or less model years of age.

111 (d) No motor vehicle subject to the inspection requirements of this  
112 section shall be operated upon the highways of this state unless such  
113 vehicle has [evidence of inspection and compliance with subsection (c)  
114 of this section] been presented for inspection in accordance with a  
115 schedule for inspection and compliance as established by the  
116 commissioner. The commissioner shall grant waivers from compliance  
117 with standards for vehicles which fail any required inspection and  
118 require an unreasonable cost of repair to bring the vehicle into  
119 compliance. The commissioner may determine compliance of a vehicle  
120 that has failed an emissions retest by means of a complete physical and  
121 functional diagnosis and inspection of the vehicle, in accordance with  
122 the provisions of 40 CFR Part 51.360, showing that no additional  
123 emissions-related repairs are needed. An extension of time, not to  
124 exceed the period of inspection frequency, may be granted to obtain  
125 needed repairs on a vehicle in the case of economic hardship of the  
126 owner. Only one such extension may be granted for any vehicle. The  
127 commissioner [shall] may design a sticker to be affixed to the  
128 windshield of [such] each vehicle which shall bear the date of  
129 expiration of the assigned inspection period on both sides. The  
130 commissioner may also design a sticker to be affixed to the windshield  
131 of each vehicle that is exempt from the requirements of this chapter,  
132 which sticker shall bear the date, if any, on which such vehicle is no  
133 longer exempt and is required to be presented for inspection. As used  
134 in this section, "unreasonable cost of repair" means cost of repair in  
135 excess of the amounts required to be expended by Title 40, Part 51.360  
136 of the Code of Federal Regulations, as amended.

137 (e) In order to provide for emissions inspection facilities, the  
138 commissioner [shall] may enter into a negotiated inspection agreement  
139 or agreements, notwithstanding chapters 50, 58, 59 and 60, with an  
140 independent contractor or contractors, to provide for the leasing,  
141 construction, equipping, maintenance or operation of a system of  
142 official emissions inspection stations in such numbers and locations as  
143 may be required to provide vehicle owners reasonably convenient

144 access to inspection facilities. [The commissioner may employ such  
145 system and the services of such contractor or contractors to conduct  
146 safety inspections as provided by section 14-16a, subsection (g) of  
147 section 14-12 and section 14-103a.] The commissioner is prohibited  
148 from entering into an inspection agreement with any independent  
149 contractor who: (1) Is engaged in the business of maintaining or  
150 repairing vehicles in this state, except that the independent contractor  
151 shall not be precluded from maintaining or repairing any vehicle  
152 owned or operated by the independent contractor; or (2) does not have  
153 the capability, resources or technical and management skill to  
154 adequately conduct, equip, operate and maintain a sufficient number  
155 of official emissions inspection stations. All persons employed by the  
156 independent contractor in the performance of an inspection agreement  
157 are deemed to be employees of the independent contractor and not of  
158 this state. The inspection agreement or agreements authorized by this  
159 section shall be subject to other provisions as follows: (A) Minimum  
160 requirements for staff, equipment, management and hours and place  
161 of operation of official emissions inspection stations including such  
162 additional testing facilities as may be established and operated in  
163 accordance with subsection (g) of this section; (B) reports and  
164 documentation concerning the operation of official emissions  
165 inspection stations and additional testing facilities as the commissioner  
166 may require; (C) surveillance privileges for the commissioner to ensure  
167 compliance with standards, procedures, rules, regulations and laws;  
168 and (D) any other provision deemed necessary by the commissioner  
169 for the administration of the inspection agreement. Nothing in the  
170 inspection agreement shall require the state to purchase any asset or  
171 assume any liability if such agreement is not renewed.

172 (f) (1) The commissioner may authorize and appoint any motor  
173 vehicle dealer or repairer that is licensed in accordance with section 14-  
174 52 and that has the qualifications established by the commissioner to  
175 conduct emissions inspections of 1996 model year and newer vehicles  
176 in a designated area of its licensed premises and to report the results

177 thereof to the Department of Motor Vehicles, provided such licensee  
178 signs a statement that such licensee understands the provisions of this  
179 section and regulations adopted under authority of this section,  
180 understands the necessity to comply with administrative and technical  
181 directives and advisories that the commissioner issues and  
182 understands that any failure by such licensee to comply with this  
183 section, the regulations or the directives or advisories constitutes  
184 grounds for the commissioner to suspend or revoke the authority for  
185 such licensee to conduct inspections.

186 (2) Each such licensee shall conduct an emissions inspection of any  
187 registered motor vehicle requiring such an inspection at any time  
188 during its normal and posted hours of operation, when such motor  
189 vehicle is presented by its owner. No such licensee shall charge any fee  
190 for the inspection except the fee authorized by subsection (i) of this  
191 section. The results of each emissions inspection performed in  
192 accordance with this subsection shall be evidenced by a written vehicle  
193 inspection report, containing such information and certification by the  
194 inspecting licensee as the commissioner shall prescribe. The licensee  
195 shall furnish a copy of such inspection report to the operator of the  
196 motor vehicle at the time of completion of the inspection.

197 (3) No such licensee may be appointed by the commissioner nor  
198 may any such licensee conduct any inspection unless the licensee has  
199 in its employ one or more certified emissions inspectors and repair  
200 technicians. Such inspectors and technicians shall conduct all  
201 inspections and related emissions repair work, and shall meet the  
202 training and certification requirements in 40 CFR Part 51.367, and of  
203 the regulations adopted by the commissioner in accordance with this  
204 subsection.

205 (4) The commissioner may suspend or revoke the authority to  
206 conduct emissions inspections by any such licensee that is authorized  
207 to conduct emissions inspections if the licensee fails to comply with the

208 provisions of this section, regulations adopted under authority of this  
209 section, or administrative or technical directives or advisories that the  
210 commissioner issues.

211 (5) The commissioner shall adopt regulations, in accordance with  
212 chapter 54, to establish the qualifications for such licensees to be  
213 authorized and appointed to conduct emissions inspections, and to  
214 establish standards and procedures for such inspections, reporting  
215 requirements by such licensees and training and certification  
216 requirements for inspectors and technicians.

217 (g) The independent contractor retained by the state in accordance  
218 with the provisions of subsection (e) of this section may conduct  
219 emissions inspections of 1996 model year and newer motor vehicles  
220 using the on-board diagnostic test procedure and standards at one or  
221 more facilities owned or operated by a motor vehicle dealer or dealers,  
222 licensed in accordance with section 14-52. No such inspection facility  
223 located on the premises of a licensed dealer shall be operated without  
224 the prior approval of the commissioner. The operation of each such  
225 facility shall be subject to such procedures and requirements, to be  
226 followed by the contractor and the licensee, as may be prescribed by  
227 the terms and conditions of the contract entered into in accordance  
228 with the provisions of subsection (e) of this section, and in regulations  
229 as may be adopted by the commissioner in accordance with chapter 54.  
230 The state shall not be a party to, or assume or incur any liability of any  
231 kind under any agreement entered into between the independent  
232 contractor and any dealer, in furtherance of the provisions of this  
233 subsection. The contract entered into by the state in accordance with  
234 the provisions of subsection (e) of this section shall provide for  
235 indemnification of the state with respect to the operation of any such  
236 inspection facility located at a motor vehicle dealership, in the same  
237 manner and to the same extent as the operation of an official emissions  
238 inspection station.

239        [(f)] (h) The commissioner may license an owner or operator of a  
240 fleet of motor vehicles which are subject to emissions inspection  
241 pursuant to subsection (c) of this section or section 14-164i, to establish  
242 a fleet emissions inspection station, provided that the fleet owner or  
243 operator conforms with regulations for fleet emissions inspection  
244 stations adopted by the commissioner which shall specify the classes  
245 or other characteristics of vehicles eligible for inspection at such  
246 stations. The commissioner may establish a program for the on-road  
247 testing of motor vehicles subject to this chapter. The program shall test  
248 not less than one-half of one per cent of vehicles every inspection cycle  
249 under conditions of highway operation in order to provide  
250 information concerning the emission performance of such in-use  
251 vehicles. Testing may be performed by means of remote sensing  
252 devices, or roadside pullovers followed by tailpipe emissions testing  
253 using a suitable, portable device and recording system. Owners of  
254 vehicles that have previously been through scheduled periodic  
255 inspection and passed, and are found by on-road testing to be high  
256 emitters, in accordance with the standards established under  
257 subsection (b) of this section and the regulations adopted under  
258 subsection (c) of this section, shall be notified that their vehicles are  
259 required to pass an out-of-cycle follow-up inspection at an inspection  
260 station. Notification may be made by mailing in the case of remote  
261 sensing on-road testing or through immediate notification if roadside  
262 pullovers are used. The commissioner may use the services of the  
263 independent contractor or contractors to implement the on-road  
264 testing program. If a method of roadside pullovers is used in the  
265 program, such method shall be employed with due regard to traffic  
266 safety considerations and performed with the assistance of inspectors  
267 of the Department of Motor Vehicles or members of state or municipal  
268 police forces.

269        [(g)] (i) (1) The commissioner, with approval of the Secretary of the  
270 Office of Policy and Management, shall establish, and from time to  
271 time modify, the inspection fees, not to exceed ten dollars per annual

272 inspection or twenty dollars for each biennial inspection or  
273 reinspection required pursuant to this chapter for inspections  
274 performed at official emissions inspection stations. Such fees shall be  
275 paid in a manner prescribed by the commissioner. If the costs to the  
276 state of the emissions inspection program, including administrative  
277 costs and payments to any independent contractor, exceed the income  
278 from such [inspection] fees, such excess costs shall be borne by the  
279 state. Any person whose vehicle has been inspected at an official  
280 emissions inspection station shall, if such vehicle is found not to  
281 comply with any required standards, have the vehicle repaired and  
282 have the right within thirty consecutive calendar days to return such  
283 vehicle for one reinspection without charge, provided, where the  
284 thirtieth day falls on any day when the official emissions inspection  
285 station is closed for business, such person may return such vehicle for  
286 reinspection on the next day on which such station is open for  
287 business. The commissioner shall assess a late fee of twenty dollars for  
288 the emissions inspection of a motor vehicle performed at an official  
289 emissions inspection station later than thirty days after the expiration  
290 date of the assigned inspection period provided the commissioner may  
291 waive such late fee when it is proven to the commissioner's satisfaction  
292 that the failure to have the vehicle inspected within thirty days of the  
293 assigned inspection period was due to exigent circumstances. If  
294 ownership of the motor vehicle has been transferred subsequent to the  
295 expiration date of the assigned inspection period and the new owner  
296 has such motor vehicle inspected within thirty days of the registration  
297 of such motor vehicle, the commissioner shall waive the late fee. If the  
298 thirtieth day falls on any day when the official emissions inspection  
299 station is closed for business, such vehicle may be inspected on the  
300 next day on which such station is open for business and no late fee  
301 shall be assessed. [The ten-dollar fee imposed pursuant to this  
302 subsection shall terminate at the expiration of the negotiated  
303 agreement in effect on June 1, 2000. The commissioner shall then  
304 establish a temporary inspection fee to remain in effect until such time

305 as the General Assembly establishes a new fee.]

306 (2) If the commissioner authorizes a licensed dealer or repairer to  
307 conduct emissions inspections of 1996 model year and newer vehicles  
308 required by this chapter, the commissioner may authorize such  
309 licensee to charge a fee, not to exceed twenty dollars for each biennial  
310 inspection or reinspection. Upon the registration of each new motor  
311 vehicle subject to the inspection requirements of this chapter, or of  
312 each motor vehicle that is four or less model years of age that has not  
313 been registered previously in this state, the commissioner shall issue a  
314 sticker indicating the exempt status of such motor vehicle and the date  
315 on which the motor vehicle is scheduled to be presented for inspection.  
316 Such sticker shall be displayed on the motor vehicle in accordance with  
317 subsection (d) of this section. The commissioner shall charge a fee of  
318 forty dollars in addition to any other fees required for such  
319 registration. All receipts from the payment of such fee shall be  
320 deposited in the Special Transportation Fund. Any person whose  
321 vehicle is inspected by a licensed motor vehicle dealer or repairer  
322 appointed by the commissioner in accordance with the provisions of  
323 subsection (f) of this section shall, if such vehicle is found not to  
324 comply with any required standard, have the vehicle repaired and  
325 have the right no later than the thirtieth day following the date of the  
326 inspection to return such vehicle to the same facility for one  
327 reinspection without charge, provided, if the thirtieth day falls on any  
328 day when the inspection facility is closed for business, such person  
329 may return such vehicle for reinspection without charge on the next  
330 day on which such station is open for business.

331 [(h)] (j) The commissioner may acquire in the name of the state by  
332 purchase, lease, gift, devise or otherwise any special equipment, tools,  
333 materials or facilities needed to adequately administer, investigate or  
334 enforce the provisions of this chapter.

335 [(i)] (k) A person shall not in any manner represent any place to be

336 an official emissions inspection station unless such station has been  
337 established and is operated under a valid inspection agreement with  
338 the commissioner.

339 [(j)] (l) No person, firm or corporation shall operate or allow to be  
340 operated any motor vehicle that has not been inspected and found to  
341 be in compliance with the provisions of subsections (c), (d) and [(f)] (h)  
342 of this section and the regulations adopted by the commissioner.  
343 Operation in violation of said subsections [(c), (d) and (f) and] or the  
344 regulations adopted by the commissioner shall be an infraction for  
345 each violation, except that the fine for a first violation shall be thirty-  
346 five dollars. The commissioner may deny the issuance of registration to  
347 the owner of a motor vehicle, or the renewal of registration to any such  
348 owner, or suspend any registration that has been issued, if such motor  
349 vehicle is not in compliance with the inspection requirements of this  
350 chapter.

351 Sec. 3. (NEW) Notwithstanding the provisions of chapters 50, 58, 59  
352 and 60 of the general statutes, the Commissioner of Motor Vehicles  
353 may enter into one or more agreements with one or more nonprofit  
354 associations or organizations representing the interests of motor  
355 vehicle dealers or repairers conducting business in this state for any  
356 one or more of the following purposes: (1) To facilitate the designation  
357 by the Commissioner of Motor Vehicles of licensed dealers and  
358 repairers qualified to conduct emissions inspections in accordance  
359 with subsection (f) of section 14-164c of the general statutes, as  
360 amended by this act, (2) to establish and maintain necessary electronic  
361 data capture and reporting systems for all emissions inspection  
362 activities, (3) to assist in the provision of technical training, education  
363 and certification of inspectors and repair technicians, (4) to enhance  
364 communications with licensees who are authorized to conduct  
365 emissions inspections and with the owners of motor vehicles subject to  
366 inspection requirements, and (5) to provide such additional services or  
367 administrative assistance as may be requested by the commissioner.

368 No such agreement shall require the state to purchase any asset or to  
369 assume any unfunded liability.

370 Sec. 4. (NEW) Notwithstanding the provisions of section 13b-61 of  
371 the general statutes, commencing on July 1, 2001, and on each October,  
372 January, April and July first thereafter, the State Comptroller shall  
373 transfer from the Special Transportation Fund into the Emissions  
374 Enterprise Fund, one million six hundred twenty-five thousand dollars  
375 of the funds received by the state pursuant to the fees imposed under  
376 sections 14-49b and 14-164c of the general statutes, as amended by this  
377 act.

378 Sec. 5. Subsection (b) of section 14-164i of the general statutes is  
379 repealed and the following is substituted in lieu thereof:

380 (b) Not later than October 1, 1997, the Commissioner of Motor  
381 Vehicles shall provide for the commencement of emissions inspections  
382 of diesel-powered commercial motor vehicles operated on the  
383 highways of this state using the method or methods selected by the  
384 commissioner under subsection (a) of this section. Such inspections  
385 shall be performed in conjunction with any safety or weight inspection  
386 at any official weighing area or other location designated by the  
387 commissioner. In lieu of any such inspection performed by the  
388 commissioner, the commissioner may accept the results of an  
389 inspection performed (1) by agreement with an owner or operator of a  
390 fleet of diesel-powered commercial motor vehicles licensed by the  
391 commissioner pursuant to subsection [(f)] (h) of section 14-164c, as  
392 amended by this act, or (2) by any licensed motor vehicle dealer or  
393 repairer authorized by the commissioner, pursuant to this section, to  
394 establish a diesel-powered commercial motor vehicle inspection  
395 station. The Commissioner of Motor Vehicles shall design a sticker to  
396 be affixed to the windshield of a diesel-powered commercial motor  
397 vehicle which shall bear the date of inspection.

398 Sec. 6. Subsection (b) of section 13b-61 of the general statutes is

399 repealed and the following is substituted in lieu thereof:

400 (b) Notwithstanding any provision of subsection (a) of this section  
401 to the contrary, there shall be paid promptly to the State Treasurer and  
402 thereupon, unless required to be applied by the terms of any lien,  
403 pledge or obligation created by or pursuant to the 1954 declaration,  
404 part III (C) of chapter 240, credited to the Special Transportation Fund:

405 (1) On and after July 1, 1984, all moneys received or collected by the  
406 state or any officer thereof on account of, or derived from, sections 12-  
407 458 and 12-479, provided the State Comptroller is authorized to record  
408 as revenue to the General Fund for the fiscal year ending June 30, 1984,  
409 the amount of tax levied in accordance with said sections 12-458 and  
410 12-479, on all fuel sold or used prior to the end of said fiscal year and  
411 which tax is received no later than July 31, 1984;

412 (2) On and after July 1, 1984, all moneys received or collected by the  
413 state or any officer thereof on account of, or derived from, motor  
414 vehicle receipts;

415 (3) On and after July 1, 1984, all moneys received or collected by the  
416 state or any officer thereof on account of, or derived from, (A)  
417 subsection (a) of section 14-192, and (B) royalty payments for retail  
418 sales of gasoline pursuant to section 13a-80;

419 (4) On and after July 1, 1985, all moneys received or collected by the  
420 state or any officer thereof on account of, or derived from, license,  
421 permit and fee revenues as defined in section 13b-59, except as  
422 provided under subdivision (3) of this subsection;

423 (5) On or after July 1, 1989, all moneys received or collected by the  
424 state or any officer thereof on account of, or derived from, section 13b-  
425 70;

426 (6) On and after July 1, 1984, all transportation-related federal  
427 revenues of the state;

428 (7) On and after July 1, 1997, all moneys received or collected by the  
429 state or any officer thereof on account of, or derived from, fees for the  
430 relocation of a gasoline station under section 14-320;

431 (8) On and after July 1, 1997, all moneys received or collected by the  
432 state or any officer thereof on account of, or derived from, section 14-  
433 319;

434 (9) On and after July 1, 1997, all moneys received or collected by the  
435 state or any officer thereof on account of, or derived from, fees  
436 collected pursuant to section 14-327b for motor fuel quality registration  
437 of distributors;

438 (10) On and after July 1, 1997, all moneys received or collected by  
439 the state or any officer thereof on account of, or derived from, annual  
440 registration fees for motor fuel dispensers and weighing or measuring  
441 devices pursuant to section 43-3;

442 (11) On and after July 1, 1997, all moneys received or collected by  
443 the state or any officer thereof on account of, or derived from, fees for  
444 the issuance of identity cards pursuant to section 1-1h;

445 (12) On and after July 1, 1997, all moneys received or collected by  
446 the state or any officer thereof on account of, or derived from, safety  
447 fees pursuant to subsection (w) of section 14-49;

448 (13) On and after July 1, 1997, all moneys received or collected by  
449 the state or any officer thereof on account of, or derived from, late fees  
450 for the emissions inspection of motor vehicles pursuant to subsection  
451 [(g)] (i) of section 14-164c, as amended by this act;

452 (14) On and after July 1, 1997, all moneys received or collected by  
453 the state or any officer thereof on account of, or derived from, the sale  
454 of information by the Commissioner of Motor Vehicles pursuant to  
455 subsection (b) of section 14-50a; and

456 (15) On and after October 1, 1998, all moneys received by the state  
457 or any officer thereof on account of, or derived from, section 14-212b.

458 Sec. 7. This act shall take effect from its passage, except that section  
459 2 shall take effect July 1, 2002.

**TRA**      *JOINT FAVORABLE SUBST.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Revenue Gain, Cost

**Affected Agencies:** Departments of Motor Vehicles, and Environmental Protection

**Municipal Impact:** None

**Explanation**

**State Impact:**

This bill makes several changes which affect the current emissions testing program. For instance, it allows for 1996 model year and newer vehicles to be tested at facilities operated by an independent contractor or at licensed motor vehicle dealers or repairers. Vehicles that are 1995 models or older must continue to be tested only at centralized testing facilities operated by a contractor; it makes the first four-model year emissions testing exemption to start with model years 1999 through 2003 vehicles and requires the exemption to take effect July 1, 2002 instead of October 1, 2002; it increases the \$4 Clean Air Act fee to \$10 for biennial registrations and \$5 for annual registrations and applies it to new registrations as well as to renewals; 57.5% of the revenue from the \$10 fee is to be deposited in the Transportation Fund and 42.5% is to be deposited in the Clean Air Fund account; the bill also includes a \$40 fee for any newly registered motor vehicle and for the registration of any vehicle eligible for the four-model year exemption that has not

previously been registered in Connecticut; it requires \$1.625 million to be transferred from the Transportation Fund to the Emissions Enterprise Fund quarterly beginning on July 1, 2001 for a total of \$6.5 million annually; and eliminates the Commissioner of Motor Vehicles authority to employ the contractor performing emissions inspections to conduct safety inspections of vehicles required by law to undergo safety inspections, i.e. salvaged, rebuilt motor vehicles, etc.

It is anticipated that an additional \$9.6 million will be generated from \$4 to \$10 Clean Air Act fee increase, of which \$1.6 million would be deposited in the Clean Air Act account, and \$8 million would be deposited in the Transportation Fund. Currently, the \$4 fee provides revenue to the Clean Air Act account totaling approximately \$4.2 million a year. The account pays Department of Environmental Protection's program expenses with regard to the implementation of the Clean Air Act. The account is anticipated to have a deficit by FY 2004 without the increased revenue.

The \$40 emissions sticker fee could generate \$8.3 million to the Transportation Fund. However, \$6.5 million is to be transferred to the Emissions Enterprise Fund to cover the Department of Motor Vehicles (DMV) administrative expenses. Thus, the net revenue gain to the Transportation Fund would be \$1.5 million. Administrative costs to the DMV with a decentralized emissions program is expected to be \$5.3 million effective July 1, 2002. The state will receive no revenues from the \$20 emissions testing fee because the fee will be paid directly to the dealer or repairer.

The Department of Motor Vehicles has not provided information concerning the impact of this legislation. Thus, if additional information from the department becomes available, it will be provided under separate cover.

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**OLR Bill Analysis**

sHB 6645

***AN ACT CONCERNING THE MOTOR VEHICLE EMISSIONS INSPECTION PROGRAM.***

**SUMMARY:**

This bill makes several changes in the current centralized system for conducting exhaust emissions inspections on most motor vehicles in the state. The most significant changes involve a redesign of part of the program by providing for on-board diagnostic (OBD) testing for 1996 model year and newer vehicles and allowing these vehicles to be tested either at facilities operated by an independent contractor under contract to the state or at licensed motor vehicle dealers or repairers the Department of Motor Vehicles (DMV) approves for conducting such tests. Vehicles that are 1995 models or older must continue to be tested only at the centralized testing facilities run by the contractor.

Specifically, the bill:

1. requires DMV's program regulations to provide for inspection procedures for 1996 and newer vehicles using an OBD information system (See BACKGROUND);
2. allows the DMV commissioner to appoint any licensed motor vehicle dealer or repairer to conduct OBD testing on 1996 and newer vehicles, if it meets the qualifications, requirements, and conditions he establishes;
3. allows the independent contractor the commissioner selects to run the centralized testing system, in addition to conducting OBD testing on 1996 and newer vehicles at its own facilities, to contract directly with any motor vehicle dealer (but not a repairer) the commissioner approves to OBD test to test vehicles at his facilities;
4. makes the emissions testing exemption for vehicles during their

first four model years effective with model years "1999 through 2003" vehicles and requires DMV program regulations to incorporate the exemption by July 1, 2002 instead of October 1, 2002;

5. increases the current \$4 clean air assessment on all vehicle registration renewals to \$10 for biennial registrations and \$5 for annual registrations, and applies it to new registrations as well as renewals;
6. instead of the entire amount of the assessment going into the clean air act account as currently required, requires 57.5% of the amounts collected to be put into the Special Transportation Fund (STF) and 42.5% to be put into the clean air act account;
7. requires the commissioner to charge a \$40 fee for any newly registered motor vehicle and for the registration of any vehicle eligible for the four-model-year test exemption that has not previously been registered in Connecticut, in addition to all other fees required by law to be deposited in the STF;
8. requires \$1.625 million to be transferred from the STF to the Emissions Enterprise Fund beginning on July 1, 2001 and every October, January, April, and July thereafter;
9. allows the commissioner to make an agreement or agreements with one or more nonprofit associations or organizations representing the interests of Connecticut dealers or repairers to assist in specific aspects of implementing dealer or repairer-based OBD testing, and exempts this agreement process from numerous state laws governing state purchasing and contracting, Department of Public Works jurisdiction over real property, construction and alteration of state buildings, and Office of Policy and Management jurisdiction over budgeting and appropriations and state planning;
10. eliminates the motor vehicle commissioner's authority to employ the contractor performing emissions inspections to conduct safety inspections of vehicles required by law to have them; and
11. makes numerous technical and conforming changes.

EFFECTIVE DATE: July 1, 2002, except for the increase and related changes in the clean air assessment, the \$1.625 million funding transfer requirement, and the commissioner's authority to contract with dealer and repairer trade organizations to facilitate implementation of decentralized OBD testing, which are effective upon passage

### **DEALER AND REPAIRER BASED OBD TESTING OF 1996 AND NEWER VEHICLES**

The bill authorizes the commissioner to appoint any licensed dealer or repairer he determines to be qualified to conduct emissions inspections of 1996 and newer model motor vehicles in a designated area of his licensed premises. Any such dealer or repairer must sign an agreement acknowledging that he understands the laws and regulations governing inspections, the necessity for complying with DMV administrative and technical directives and advisories, and that failure to comply with any of these constitutes grounds for suspension or revocation of authority to do inspections.

Inspections must be conducted on any vehicle presented for inspection during normal and posted hours of operation. The dealer or repairer may charge no more than \$20 for a biennial inspection or reinspection. A written vehicle inspection report must be provided to the vehicle operator when the inspection is completed. It must contain the information and certification the commissioner prescribes. A dealer or repairer with inspection authority must provide one free reinspection to any vehicle it has previously inspected and which failed the inspection, provided the vehicle is presented for reinspection within 30 days following the first inspection. If the 30<sup>th</sup> day occurs on a day the facility is closed, the period extends until the next day it is open for business.

To be appointed to conduct inspections, a dealer or repairer must employ one or more certified emissions inspectors and repair technicians. These employees must conduct all the inspection and related repair work and must meet the training and certification requirements specified in federal and DMV regulations.

The commissioner may suspend or revoke a dealer's or repairer's

inspection authority if the licensee fails to comply with the bill, regulations adopted pursuant to the bill, or DMV directives or advisories. The commissioner must establish the qualifications for receiving inspection authority, inspection standards and procedures, reporting requirements, and inspector and technician training and certification requirements by regulation.

## **INDEPENDENT CONTRACTOR OPERATIONS**

The bill makes the current requirement that the commissioner enter into one or more negotiated inspection agreements with an independent contractor or contractors for the purpose of providing a system of official emissions inspection stations discretionary instead of mandatory. But since dealers and repairers may only be authorized to inspect 1996 and newer vehicles, in effect, at least one such contractor must be retained. The contractor-operated system would be responsible for inspecting 1995 and older vehicles and does not appear to be precluded from inspecting 1996 and newer vehicles at its test facilities, even if dealers and repairers are also authorized to inspect them.

In addition, the bill allows the contractor retained to operate the centralized system to conduct inspections of 1996 and newer vehicles using the OBD test procedure at one or more dealer locations DMV authorizes to conduct inspections. It does not similarly allow contractor operations at repairer facilities that may be authorized to do ODB inspections.

An inspection facility on a licensed dealer's premises must get prior DMV approval to operate. The contractor and licensee must follow the operational procedures and requirements as may be prescribed in the contract the DMV enters with the contractor for the statewide inspection system and DMV regulations.

The state cannot be a party to, nor assume or incur any liability under any agreement between the independent contractor and any dealer in furtherance of their arrangement. The state's contract with the independent contractor must indemnify the state with respect to the operation of any such facility located in a dealership to the same extent that applied to the official emissions inspection stations.

## **DMV IMPLEMENTATION AGREEMENT WITH TRADE ASSOCIATION**

The bill allows the commissioner to make an agreement or agreements with one or more nonprofit associations or organizations that represent the interests of Connecticut motor vehicle dealers or repairers. The purpose of any such agreement must be to: (1) facilitate the designation of dealers and repairers to conduct the emissions inspections the bill allows; (2) establish and maintain necessary electronic data capture and reporting systems for all emissions inspection activities; (3) assist in providing the technical training, education, and certification of inspectors and repair technicians; (4) enhance communications with licensees authorized to conduct inspections and with vehicle owners subject to inspection requirements; and (5) provide any additional services or administrative assistance the commissioner requests.

The agreement cannot require the state to purchase any asset or assume any unfunded liability.

## **CLEAN AIR REGISTRATION ASSESSMENT**

Currently, DMV must collect a special assessment of \$4 known as a "federal Clean Air Act fee" as part of every registration renewal. The fee goes into a special nonlapsing account in the General Fund and must be used to pay state agency costs of implementing requirements of the federal Clean Air Act that are not otherwise met by fees the environmental protection commissioner collects from owners or operators of sources of air pollution.

The bill increases the fee to \$10 for vehicles with two-year registration periods and \$5 for vehicles with one-year registrations. (This includes anyone age 65 or more who elects to register his vehicle for one year instead of two.) It also applies the special fee to new registrations as well as renewals.

The bill divides the amounts collected from the fee between the STF (57.5%) and the federal Clean Air Act account (42.5%).

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**FOUR-MODEL-YEAR EXEMPTION FOR NEWER VEHICLES**

Currently, DMV regulations must, by October 1, 2002 or sooner, include an inspection exemption for every motor vehicle during the first four model years from its manufacture. The exemption lapses if federal officials find that it causes the state to violate applicable environmental or transportation planning requirements.

The bill moves the implementation date for the exemption regulation up to no later than July 1, 2002 and specifies that it must begin with 2003 model year vehicles and earlier. This means that the initial set of exempt vehicles will be 1999-2003 models, followed the next year by 2000-2004 models, and so on.

The bill allows the commissioner to design a windshield sticker for all vehicles that are exempt from emissions inspections. In the case of vehicles under the four-year exemption, the sticker must be issued and have the date on which the vehicle is no longer exempt and must be presented for inspection. The sticker must be displayed on the windshield.

**\$40 INITIAL REGISTRATION FEE**

The bill requires the commissioner to charge a one-time \$40 fee, in addition to all other required registration fees, upon registration of (1) each new motor vehicle subject to emissions inspection requirements and (2) each motor vehicle that is four model years old or newer that has not been previously registered in Connecticut. The money from this fee must go into the STF.

**BACKGROUND*****On-Board Diagnostic (OBD) Testing***

OBD systems consist of various sensors, fuel injector actuators, and other engine hardware, along with diagnostic software that allows a car's on-board computer to monitor system performance, stores data on system components, and warns the driver through dashboard instrumentation when the equipment may need servicing. The Environmental Protection Administration (EPA) first began requiring

OBD as a vehicle design element with model year 1994, but manufacturers were allowed to request waivers on 1994 and 1995 models. The first full implementation of OBD (OBD II) on all light duty cars and trucks began with the 1996 model year.

EPA recently modified its vehicle inspection maintenance program requirements to allow state emissions inspection programs to replace traditional types of tailpipe testing of 1996 and newer OBD-equipped vehicles with simpler procedures. Generally, this process involves querying the on-board computer and downloading performance data and trouble codes that identify any parts of the pollution control system that are malfunctioning and in need of repair.

***Vehicles Exempt from Emissions Testing***

Several categories of motor vehicles are currently exempt from emissions testing. The most significant of the exemptions is for all vehicles with gross weight ratings over 10,000 pounds, vehicles manufactured 25 or more years ago, farm vehicles, motorcycles, and diesel powered Type II school buses (up to 10,000 pounds). The four-model-year exemption for newer vehicles is not yet in effect.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute  
Yea 28    Nay 0