

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: March 24, 1998 Revised: _____

Subject: Motor Vehicle Emissions Inspections

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Caridi</u>	<u>Johnson</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	<u>Green</u>	<u>Voigt</u>	<u>NR</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This committee substitute directs the Department of Highway Safety and Motor Vehicles to hire an independent expert consultant to develop appropriate request-for-proposal specifications and a range of inspection fees for the motor-vehicle-emissions testing program. Requires the request-for-proposal specifications to include an annual and a biennial inspection program for vehicles 4 model years old and older, using the basic test for hydrocarbon emissions, carbon monoxide emissions and other mobile source testing for nitrous oxides or other pollutants. Provides the department must report the relevant facts and its recommendations to the President of the Senate and the Speaker of the House of Representatives by January 1, 1999. Prohibits the department and the Governor and Cabinet acting as head of the agency from entering into any contract or extension of contract for any form of motor-vehicle-emissions testing without legislative approval. Appropriates \$125,000 for fiscal year 1998-1999 from the Department of Highway Safety Operating Trust Fund to fund this study.

Section 325.214, Florida Statutes, is amended to make the current test fee a flat \$10.

II. Present Situation:

The United States Environmental Protection Agency (EPA) is responsible for setting the National Ambient Air Quality Standards (NAAQS) for the pollutant ozone. The NAAQS specify the maximum amount of a pollutant that can be emitted into the air. In order to achieve the emissions levels specified by the NAAQS, each state is responsible for submitting a State Implementation Plan (SIP) to the EPA for approval. An area that does not meet the NAAQS emission levels for a particular pollutant is designated as "nonattainment" for that pollutant. Florida's current SIP contains an *idle* or *basic* emissions test for vehicles in six counties that were previously designated nonattainment areas under the EPA's 1990 NAAQS. Subsequently, these six counties have been

reclassified as nonattainment areas operating under an EPA-approved maintenance plan. The portion of the SIP requiring emissions tests in those six counties is entitled the Florida Clean Outdoor Air Law and is found in ss. 325.201-325.223, F.S. Currently, private companies conduct these emissions inspections. Contracts with these companies will expire in the year 2000.

The Department of Highway Safety and Motor Vehicles is responsible for contracting with these companies, monitoring the inspection stations, conducting quality assurance tests on the equipment and processing waivers, exemptions and consumer complaints.

Revised standards set by the EPA for ozone were approved and will be implemented in the year 2000. The EPA will designate the attainment status of each county in 2000. The designation will be based on an average of monitoring data for each county from 1997, 1998, and 1999 readings from pollution monitors across the state. If a county is designated as nonattainment under the new NAAQS for ozone, the state will have 18 months to revise the SIP in order to meet NAAQS emission levels in the entire program area incorporating that county. A program area, as defined in s. 325.202(11), F.S., includes counties designated by the department as nonattainment, those counties voluntarily requesting inclusion, and counties previously designated as nonattainment that are operating under an EPA-approved maintenance plan.

The new threshold for ozone pollution will be lower, and measured differently, making exact predictions for future compliance difficult. The current readings from monitors in Escambia, Hillsborough, Duval, and Dade counties indicate a level that borders on exceeding the new NAAQS threshold for ozone. Should a county be designated as a nonattainment area by the EPA in 2000, the state must not only file a revised SIP to achieve the NAAQS emission levels, but the process of reclassification to an attainment area is a laborious one.

III. Effect of Proposed Changes:

Section 1. Directs the Department of Highway Safety and Motor Vehicles to hire an independent consultant to develop appropriate request-for-proposal specifications and a range of inspection fees for the motor-vehicle-emissions testing program. Requires the request-for-proposal specifications to include an annual and a biennial inspection program for vehicles 4 model years old and older, using the basic test for hydrocarbon emissions, carbon monoxide emissions and other mobile source testing for nitrous oxides or other pollutants. Provides the department must report the relevant facts and its recommendations to the President of the Senate and the Speaker of the House of Representatives by January 1, 1999. Prohibits the department and the Governor and Cabinet acting as head of the agency from entering into any contract or extension of contract for any form of motor-vehicle-emissions testing program without legislative approval. Requires that legislative approval of any motor-vehicle-emissions testing program specifically direct the department to implement the program and establish a fee.

Section 2. Limits the inspection fee for current contracts to \$10.

Section 3. Appropriates \$125,000 for fiscal year 1998-1999 from the Department of Highway Safety Operating Trust Fund of the Department of Highway Safety and Motor Vehicles to fund this study.

Section 4. This act shall take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The current cost of a vehicle inspection is \$10 per year. If repairs are necessary, the second inspection is performed at no cost. This committee substitute does not stipulate the cost of any future motor-vehicle-emissions testing program as it has yet to be determined according to any selected program. If no program is implemented by the Legislature, the public will not be required to pay this fee beginning in March and April 2000 when the contracts with the current inspection companies expire.

B. Private Sector Impact:

The impact of the bill will depend substantially on what program, if any, is selected for a program area.

C. Government Sector Impact:

The impact of the bill will depend substantially on what program, if any, is selected for a program area. If the Legislature does not provide for an inspection program and fee which includes the approximately \$15 million in state revenue collected annually, beyond the cost of the program, there will be a loss of those funds to the state beginning in March of 2000 when the contracts with the current inspection companies expire.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
