By the Committee on Transportation

306-527A-98

amended to read:

A bill to be entitled 1 2 An act relating to motor vehicle emissions inspections; amending s. 325.202, F.S.; 3 4 adopting current Federal Clean Air Act regulations; amending s. 325.203, F.S.; 5 6 requiring the minimum testing necessary for 7 compliance with the Federal Clean Air Act; providing options for types of emissions tests, 8 9 frequency of tests, and certain vehicles to be 10 exempted from testing; amending s. 325.207, 11 F.S.; allowing the Department of Highway Safety and Motor Vehicles the alternative to contract 12 with one or more testing companies within a 13 14 zone; allowing the department the alternative to contract with a testing company in more than 15 one zone; amending s. 325.214, F.S.; allowing 16 17 the department to include the sum of the cost of inspection in the request for proposal; 18 19 providing an effective date. 20 21 Be It Enacted by the Legislature of the State of Florida: 22 23 Section 1. Subsection (5) of section 375.202, Florida 24 Statutes, is amended to read: 325.202 Definitions.--As used in this act, the term: 25 "Federal act" means the federal Clean Air Act, as 26 27 amended, and regulations issued by the United States 28 Environmental Protection Agency under that act as they exist 29 on October 1, 1997. 30 Section 2. Section 325.203, Florida Statutes, is

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325.203 Motor vehicles <u>inspection program</u> subject to annual inspection; exemptions.--

- (1) The Department of Highway Safety and Motor

 Vehicles shall require the minimum motor vehicle inspection

 program for testing emissions as necessary so that each county

 will meet and maintain the National Air Quality Standards set

 by the United States Environmental Protection Agency under the

 Clean Air Act. Where an inspection program is required, the

 program must:
- (a) Be conducted biennially unless annual inspections are necessary;
- (b) Exempt as many vehicle models up to 6 years old as possible and meet Environmental Protection Agency requirements; and
- (c) Use the basic test for hydrocarbon emissions and carbon monoxide emissions or the Accelerated Simulation Mode test only if a test for nitrous oxides is necessary to maintain compliance.
- (2)(1) Each motor vehicle that which is required to obtain an inspection certificate must shall obtain one or a waiver in the year the inspection is required annually within 180 days prior to the expiration of the motor vehicle registration period, except that any vehicle the registration period for which is established under s. 320.055(4) or (5) and which is required to obtain an inspection certificate must shall obtain one or a waiver in the year the inspection is required annually prior to the expiration of the motor vehicle registration period.
- $\underline{(3)(2)}$ Unless exempt pursuant to subsection $\underline{(4)(3)}$ or subsection $\underline{(5)(4)}$, each motor vehicle that which is owned or leased by a person who resides in a county designated as part

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of the program area or that which is primarily kept in a county designated as part of the program area is subject to inspection. A person's county of residence is determined by the address provided on the registration certificate. A motor vehicle owner who intentionally provides an incorrect address at the time of registration with the intention of avoiding the inspection requirements of this chapter is guilty of a misdemeanor of the first degree, punishable as provided in s. ss.775.082 or s.and 775.083.

(4) The department may provide a temporary exemption, not to exceed one test period as required in the program area 1 year, for any vehicle unavailable for inspection due to the motor vehicle's absence from the program area or because it is inoperative, or the owner's or lessee's absence from the program area or incapacity, during the 180-day period immediately prior to the registration expiration date in the year inspection is required. The owner or lessee of the motor vehicle may request a letter of temporary exemption on a form to be provided by the department. The owner or lessee shall identify the motor vehicle involved, provide the reason for requesting the letter of temporary exemption, certify that the vehicle will not be available for emissions inspection during the 180-day period immediately prior to the registration expiration date, and state the date upon which the motor vehicle will again be operated within the program area. Upon approval by the department, a letter of temporary exemption must be issued to the motor vehicle owner or lessee, and the motor vehicle registration may be renewed. As a condition of temporary exemption, the motor vehicle must be inspected within 30 days

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after the date upon which it becomes operational within a program area.

 $\underline{(5)}$ (4) The following motor vehicles are not subject to inspection:

- (a) Motor vehicles that have a registered vehicle weight greater than 10,000 pounds.
- (b) Motor vehicles $\underline{\text{that}}$ which are designated as model years 1974 or older.
 - (c) Golf carts, as defined in s. 320.01.
 - (d) Farm vehicles, as defined in s. 320.51.
- (e) Motor vehicles on which are displayed a dealer license plate authorized in s. 320.13(1)(a).
 - (f) Motorcycles, as defined in s. 320.01.
 - (g) Mopeds, as defined in s. 320.01.
 - (h) Propane-powered vehicles.
 - (i) Natural-gas-powered vehicles.
- (j) Any vehicle that which is exempted by rule of the Department of Highway Safety and Motor Vehicles upon determination by the Department of Environmental Protection that the vehicle does not significantly contribute to air pollution.
- (k) New motor vehicles, as defined in s. 319.001(4). Such vehicles are exempt from the inspection requirements of this act at the time of the first registration by the original owner and, thereafter, are subject to the inspection requirements of this act. Beginning May 1, 2000, such vehicles are exempt from those inspection requirements for a period of 2 years from the date of purchase.
- (1) New motor vehicles as defined in s. 319.001(4) which are utilized as short-term rental vehicles and licensed under s. 320.08(6)(a). Such vehicles are exempt from the

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inspection requirements of this act at the time of the first registration. Said vehicles are also exempt from the inspection requirements of this act at the time of the first registration renewal by the original owner, provided this renewal occurs prior to the expiration of 12 months from the date of first registration of the motor vehicle. Beginning May 1, 2000, such vehicles are exempt from those inspection requirements for a period of 2 years from the date of purchase.

 $\underline{\text{(k)}}$ (m) Recreational vehicles as defined in s. 320.08(9).

(1)(n) Electric vehicles.

(6)(5) Unless exempt pursuant to subsection (4)(3) or subsection (5)(4), each motor vehicle that is owned or leased by federal, state, or local government and is primarily kept in a program area is subject to inspection. Before February 1 of each year, each federal, state, or local government agency that owns or leases motor vehicles that are subject to inspection must submit to the department in the prescribed format a list of all motor vehicles that are subject to inspection. The list must indicate that each vehicle has passed inspection or received a waiver or exemption.

(7) (6) Each motor vehicle that is subject to inspection may not be registered pursuant to chapter 320 unless the motor vehicle has a valid inspection certificate, waiver, or exemption.

(8)(7) The owner of each motor vehicle must obtain an inspection certificate within 180 days before the expiration of the motor vehicle registration period for any year in which inspection is required. Upon the receipt of an inspection certificate, waiver, or exemption and payment of the

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appropriate inspection fees, the vehicle owner may complete registration of the motor vehicle as prescribed in chapter 320.

(9)(8) A motor vehicle dealer, motor vehicle broker as defined in s. 320.27, mobile home dealer as defined in s. 320.771, recreational vehicle dealer as defined in s. 320.771, governmental agency subject to subsection(6)(5), or person located in a program area may not sell at retail any motor vehicle that is subject to inspection under this act and that is to be registered in a program area unless the motor vehicle has received a valid inspection certificate within 180 days before sale or received a valid dealer certificate within 12 months before sale. If a motor vehicle is purchased outside the program area and is required to be registered in the program area, the purchaser must meet the inspection requirements of this act before such registration.

Section 3. Section 325.207, Florida Statutes, is amended to read:

325.207 Inspection stations; department contracts; inspection requirements; recordkeeping.--

- (1) The department shall direct the implementation, operation, and regulation of emissions inspections required under this act. The department shall establish the requirements for inspection stations, enter into negotiated multiyear contracts with one or more private contractors for the operation of inspection stations with a state option for renewal, and supervise the performance of such contractors.
- (2) The department must issue a request for proposals during 1998 to obtain proposals on a range of options for the minimum motor vehicle inspection program for testing emissions as are necessary for each county to meet and maintain the

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National Air Quality Standards set by the United States

Environmental Protection Agency under the Clean Air Act. The proposals for the testing program must be limited to:

- (a) A test biennially or annually;
- (b) A test exemption for vehicle models up to 6 years old; and
- (c) The basic test for hydrocarbon emissions and carbon monoxide emissions or the Accelerated Simulation Mode test for nitrous oxide emissions if necessary for a county to maintain compliance.
- $\underline{(3)(2)}$ The Governor and Cabinet as head of the department shall approve any request for proposals by the department before the request for proposals is made available for bidding purposes. In addition, the Governor and Cabinet must approve the award of any contract to any contractor.
- $\underline{(4)(3)}$ The department shall incorporate, as a provision of each contract, standards relating to maximum driving time to inspection stations and maximum waiting time at inspection stations and shall have the authority to impose penalties for failure of the contractor to meet such standards.
- (5)(4) Such contracts are subject to competitive procurement requirements and shall provide for the design, construction, equipment, maintenance, and operation of inspection stations in such numbers and locations as required to provide motor vehicle owners with reasonably convenient access to inspection facilities for the purpose of compliance with this act.
- $\underline{(6)}\overline{(5)}$ To avoid conflicts of interest and ensure impartial inspections, the department may not enter into a

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contract to conduct emissions inspections with any contractor who:

- (a) Engages in the business of manufacturing or selling motor vehicles in this state;
- (b) Offers to the general public, for profit, motor vehicle maintenance or repair services in this state, except that a contractor may maintain or repair motor vehicles owned or leased by the contractor; or
- (c) Lacks the capability, resources, or technical and management skills to adequately construct, equip, operate, and maintain a sufficient number of official emissions inspection stations to meet the demand for the inspection of every motor vehicle which is required to be inspected under the terms of the contract.
- (7)(6) By its selection process for contractors, the department shall seek to obtain the highest quality service for the lowest cost. Accordingly, the department shall give balanced consideration during its selection process to the following:
- (a) The public convenience of the inspection stations, including a calculation of lowest average driving time to an inspection facility applicable to 90 percent of motor vehicles within each contract zone;
 - (b) The inspection fee bid proposed by a contractor;
- (c) The degree of technological content of the proposal, including test-accuracy specifications, and quality of testing services;
- (d) The experience of the contractor, and the probability of successful performance of the contract;
 - (e) The financial stability of the contractor; and

- (f) The economic impact of the contract to the state during construction and operation of the inspection stations.
- (8) (7) All persons employed by a contractor are deemed to be employees of the contractor and not of the state. An officer, director, or employee of a contractor may not be an employee of the state.
- (9)(8) Any contract authorized under this section shall contain:
- (a) A contract term of not less than 5 years of actual test operations.
- (b) A clause stating that nothing in the contract requires the state to purchase any asset or assume any liability if such contract is not renewed.
- (c) Minimum requirements for adequate staff, equipment, management, and operating hours which may include evening or weekend hours or both.
- (d) Provisions for surveillance by the department of the contractor to ensure compliance with emissions test standards and applicable procedures, rules, regulations, and laws.
- (e) Provision for the state, upon default of the contractor, to terminate the contract with the contractor and assume operation of the motor vehicle emissions inspection station.
- (f) Provision for the state, upon termination of the term of the contract or upon assumption of the operation of the program pursuant to paragraph (e), to have transferred or assigned to it, for reasonable compensation, any interest in land, buildings, improvements, services, and equipment used by the contractor in the operation of an inspection station.

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- (g) Provision for the state, upon termination of the term of the contract or upon assumption of the operation of the program, to have transferred and assigned to it, for reasonable compensation, any contract rights and related obligations for land, buildings, improvements, and equipment used by the contractor in the operation of the inspection station.
- A requirement that the contractor, in any agreement executed by him or her for land, buildings, improvements, and equipment used in the operation of the inspection stations, reserve the right to assign to the state any of his or her rights and obligations under such contract.
- (i) A procedure for determining the damages payable by the state to the contractor if the Legislature abolishes the inspection program at any time prior to the conclusion of the contract term. This procedure must specify that the contractor and the department have 120 days from the effective date of the termination of the program to negotiate an amount to be paid to the contractor as reasonable compensation for its loss resulting from the termination of the contract due to the termination of the program. If the contractor and the department are not able to agree to an amount by the end of the 120-day period, the department shall determine the amount of reasonable compensation and notify the contractor in writing of its determination within 14 days of the end of the negotiation period and shall offer the contractor a point of entry to a proceeding under ss. 120.569 and 120.57 pursuant to the department's rules of procedure. This provision must specify that payment of such compensation to the contractor is subject to appropriation of funds for this purpose by the Legislature and that the department agrees in good faith to

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request the Legislature to appropriate the funds to pay such reasonable compensation. The damages recoverable by the contractor if the Legislature abolishes the program shall be limited to the funds appropriated by the Legislature pursuant to this section.

- (j) Any other provision, including periodic audits of inspection fees collected, deemed necessary by the department for the administration or enforcement of the emissions inspection contract.
- (k) A provision requiring compliance with minority business enterprise procurement goals set forth in s. 287.0945 in contracts for the construction of inspection stations and for document printing costs and costs associated with the maintenance, repair, reconstruction, renovation, and expansion of inspection stations. Each contractor shall submit to the department no later than March 1 of each year an affidavit certifying compliance with the provisions of this paragraph.
- (1) A provision requiring a performance bond of \$1 million, which the department may, after the second year of inspection operations under the contract, elect to waive entirely, reduce in amount, or waive in exchange for another appropriate means of security in a like or reduced amount.
- (m) A provision requiring that the contractor determine, for each county in the program area, the availability of county facilities formerly used for the inspection of motor vehicles and that the contractor explore with appropriate county officials the feasibility of the contractor's acquisition or lease of such facilities, if any, for use as inspection stations.
- $\underline{(10)}$ (9) Inspection stations shall collect, maintain, and report data as the department requires. The department

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may enter and inspect the premises and equipment and audit the records of inspection fees collected at each inspection station at all reasonable times.

 $\underline{(11)}$ (10) The department shall maintain records of each inspection station and investigate bona fide complaints regarding inspection stations.

(12)(11) Before accepting proposals, the department shall divide the state into three or more contract zones as necessary. The department shall contract with a private contractors contractor for the exclusive right to conduct vehicle inspections in each zone. However, Any contractor may bid on more than one zone, and the department may contract with one or more contractors a contractor to conduct vehicle inspections in each more than one contract zone.

(13)(12) Information received in a sealed bid or proposal that would indicate the locating of proposed inspection sites, or property sought to be acquired for such sites, is exempt from the provisions of s. 119.07(1), as follows:

- (a) For an unsuccessful bidder, from the time the bid or proposal is received, until 30 days after notice of intent to award a bid or proposal.
- (b) For successful bidders, from the time the bid or proposal is received, until completion of purchases or leases of real property required to carry out the contract provisions.
- (14)(13)(a) The department and the Department of Environmental Protection shall have reasonable access to all records of the contractor pertaining to the contract or duties imposed or undertaken pursuant to this chapter. Except as to information provided for in subsection (13)(12), upon request

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29 30 31 of the contractor, any records received by the department or the Department of Environmental Protection which are shown to be proprietary confidential business information shall be kept confidential and shall be exempt from s. 119.07(1).

- (b) Proprietary confidential business information includes, and is limited to:
 - Trade secrets as defined in s. 812.081. 1.
 - Security measures, systems, or procedures.
- (c) Proprietary confidential business information does not include information received by the department or the Department of Environmental Protection in carrying out the duties of the department under subsection(7)(6), except such information which, if disclosed, would reveal:
 - 1. Specifications pertaining to process or design;
- The identity of or information about a person or entity not engaged or proposed to be engaged in providing services in connection with the proposal or contract, and not a party to, nor the subject of, the proposal or contract;
- 3. Specific financial assets of the contractor, or contracts of the contractor other than the contract provided for in this section.
- (d) In any administrative proceeding brought under this chapter, upon a showing by the contractor and a finding by the hearing officer that such protection is necessary, the hearing officer shall issue protective orders protecting the contractor from discovery of proprietary confidential business information. If the hearing officer determines that discovery of proprietary confidential business information is necessary to preserve justice or to protect the public interest, however, the hearing officer shall enter an order limiting

such discovery in the manner provided for in Rule 1.280 of the Florida Rules of Civil Procedure.

(15)(14) Any contract entered into by the department pursuant to this section may be amended by mutual consent of the parties, by a writing executed with the same degree of formality as the original contract.

Section 4. Subsection (2) of section 325.214, Florida Statutes, is amended to read:

325.214 Motor vehicle inspection; fees; disposition of fees.--

- (1) All moneys received by the department pursuant to this chapter, less the deductions required by s. 215.20, shall be deposited into the Highway Safety Operating Trust Fund.
- include the sum of the cost of the inspection in the request for proposal and not to exceed \$10. By rule, the department shall set a regulatory amount to be included in the fee which is commensurate with the cost of administering and enforcing the inspection program. It is the intent of the Legislature that the program be self-supporting; however, if the total cost per inspection exceeds \$_____, the department may not enter into any contract prior to specific legislative approval of the cost. Notwithstanding any other provision of law to the contrary, an additional fee of \$1 shall be assessed upon the issuance of each dealer certificate, which fee shall be forwarded to the department for deposit into the Highway Safety Operating Trust Fund.

Section 5. This act shall take effect upon becoming a law.

SENATE SUMMARY Revises provisions related to motor vehicle emissions testing. Readopts the standards of the federal Clean Air Act for compliance standards purposes. Provides options for certain test types and frequency and certain exemptions. Establishes test standards. Provides that the Department of Highway Safety and Motor Vehicles may contract with more than one testing company within a zone. Allows the department to include the cost of inspection in the request for proposal and requires specific legislative approval if the contract with the testing company requires an inspection fee that exceeds a certain amount.