

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 2, 2010
POSITION: Support
SPONSOR: California Air Resources Board and State Bureau of Automotive Repair

BILL NUMBER: AB 2289
AUTHOR: M. Eng

BILL SUMMARY: Smog Check Program

This Administration-sponsored bill would: 1) implement new operating standards and technology upgrades relating to the Smog Check program, 2) increase fines and penalties for violation of its provisions by the smog check station, technician, and consumer, and 3) require the Department of Consumer Affairs (DCA) to implement regulations for the administration of these provisions.

FISCAL SUMMARY

The DCA indicates this bill would result in minor and absorbable costs. This bill would require the DCA to adopt regulations to increase the amount of fines it could levy. The DCA has indicated it has no plans to increase the amount of fines it imposes; therefore, this bill is not expected to generate additional revenue.

The State Air Resources Board (ARB) indicates that this bill would result in minor and absorbable costs to its program.

COMMENTS

The Department of Finance supports this Administration-sponsored bill because it would reduce air pollution and improve the smog check program through the use of new technologies in order to reduce fraud and provide time and cost savings to consumers.

Under current law, the Bureau of Automotive Repair (BAR) within DCA administers California's Smog Check program, which began in 1982. This program requires California-registered gasoline-powered motor vehicles to have a Smog Check inspection every two years. In addition, all cars must be tested for emissions upon change of ownership and initial registration. BAR licenses two types of Smog Check test centers—test only centers, which cannot repair vehicles, and "gold shield" centers, which can make repairs. The program includes two inspection procedures for 1996 and newer model-year vehicles: 1) a tailpipe emission test and 2) an inspection of a vehicle's on-board diagnostic system. California's Smog Check program is intended to meet or exceed federal clean air requirements.

Under existing law, DCA provides referee services to consumers including: the issuance of repair cost waivers, the inspection of specially constructed vehicles, and the inspection of vehicles with an appealed failed Smog Check inspection. The BAR directs a percentage of vehicles to Test-Only and Gold Shield stations for their initial biennial Smog Check inspection. Presently, Gold Shield stations must meet specified criteria and performance standards to earn and retain Gold Shield status. There are no like requirements in place for Test-Only stations, Test-Only technicians or Gold Shield technicians.

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Analyst/Principal (0282) J. Carosone Date Assistant Program Budget Manager Nona Martinez Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

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M. Eng

August 2, 2010

AB 2289

COMMENTS (Cont'd)

Existing law also prescribes the tests and test procedures to be used for all vehicles and specifies fines and penalties for non-compliance requirements related to smog inspections

This bill would:

- Require the BAR, by January 1, 2013, to implement on-board diagnostic testing, in lieu of tailpipe testing, on vehicles with model years of 2000 or newer, as specified.
- Increase the amount of the maximum smog check penalty issued by BAR to \$5,000.
- Authorize DCA to develop a revised proprietary Emission Inspection System (EIS) to provide uniformity and standardized testing throughout all smog check stations.
- Require DCA to adopt and maintain standards for certifying and decertifying EIS equipment, as specified.
- Require vehicle owners needing inspections performed by Referee stations to pay for their inspections.
- Allow Referee stations to charge a fee for the inspection of all specially-constructed vehicles.
- Allow Referee stations to charge a fee for inspections of vehicles with inspection incompatibilities, vehicles equipped with emission control configurations that do not match U.S. Environmental Protection Agency or ARB-certified configurations, and vehicles equipped with retrofit alternative fuel conversion kits.
- Allow Referee Stations to charge a fee for exhaust noise tests.
- Require the adoption of regulations and standards for test-only stations performing referee services.
- Require technicians employed by Gold Shield stations to meet inspection-based performance standards to be eligible to issue certificates of compliance or noncompliance to directed vehicles.
- Require test-only stations and technicians to meet inspection-based performance standards in order to be eligible to issue certificates of compliance or noncompliance to directed vehicles.
- Specify that failure of a test-only station or technician to meet performance standards would result in automatic suspension of eligibility to issue certificates to directed vehicles. These stations and technicians would be able to continue to issue certificates for non-directed vehicles.
- Provide for written or electronic notice to test-only stations prior to suspension of certification privileges and procedures for suspension appeals.
- Require the department, not later than January 1, 2012 to provide all licensed smog check stations and technicians preliminary performance reports and the basis for report findings.
- Require the department to collect, maintain, and analyze Smog Check information and present specified data and analysis of that data, in cooperation with the ARB, in an annual report to be made available to the public beginning no later than July 1, 2011.
- Revise provisions related to fines, the manner of imposing fines, and adds for the assessment of administrative penalties.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
1111/ConAfr-BurPg	SO	No		-----	See Fiscal Summary	-----			0421
3900/Air Res Bd	SO	No		-----	See Fiscal Summary	-----			0115
1259/Delinq Fees	RV	No		-----	No/Minor Fiscal Impact	-----			0421

<u>Fund Code</u>	<u>Title</u>
0115	Air Pollution Control Fund
0421	Vehicle Inspection and Repair Fund