SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 742

PRINTER NO. 919

AMOUNT

No Fiscal Impact

FUND

General Fund
Motor License Fund

DATE INTRODUCED

June 10, 2019

PRIME SPONSOR

Senator K. Ward

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 742 amends Section 4702 (Requirement for periodic inspection of vehicles) of Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes to provide an exception for late model vehicles from emissions testing, including up to eight years after the vehicle's date of manufacture.

This legislation provides for all of the following:

- That a subject vehicle shall be exempt from the requirements for emission inspection for eight years after the vehicle is manufactured;
- Requires a one-time certificate of exemption be affixed to the subject vehicle for the entire duration of the exemption;
- Requires the Pennsylvania Department of Transportation (PennDOT) to periodically notify official inspection stations of vehicles exempt from the requirements for emission inspection;
- Requires the Pennsylvania Department of Environmental Protection (DEP) to immediately notify the United States Environmental Protection Agency (EPA) of the modifications to the vehicle emission program and of the intent to seeks its approval of the plan;
- Requires the DEP to notify the chairs and minority chairs of the Senate and House of Representatives of the notification to the EPA;
- That upon approval by the EPA, the Secretary of Transportation shall transmit notice of the approval to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin; and
- That the eight most recent model year vehicles shall be subject to visual anti-tampering inspections for the presence of emissions control components installed on the vehicle by manufacturers, which may occur during the annual safety inspection.

This act shall take effect in 120 days.

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FISCAL IMPACT:

Enactment of this legislation will affect all vehicles that are eight years old or newer in all 25 counties currently participating in the Vehicle Emissions Inspection and Maintenance Program (I/M Program). According to data from the department, there are 5.9 million vehicles tested annually, of which 3.2 million are eight years old or newer.

According to supplemental information from The Joint State Government Commission (commission) related to Senate Resolution 168 of 2017 and an October 2018 Advisory Committee Report, PennDOT collects $1.65 per vehicle, per emissions test as a program management fee. The department utilizes a subcontractor to administer the emissions program.

According to PennDOT, it would require a minimum of 20 months to implement this legislation. Twenty months are needed to allow for system changes, one year is needed to allow time to procure certificate of exemption stickers and 18 months are needed for the emissions program manager to update equipment specifications and deploy upgrades. The department estimates the costs to implement system changes to be $1.175 million. The full cost of implementation would be experienced during FY 2019-20 and FY 2020-21.

The General Assembly appropriated $60.9 million to the department for General Government Operations from the Motor License Fund for FY 2018-19. The Governor's Executive Budget includes the same appropriation being level funded for FY 2019-20.

Additionally, the commission reported that there are no funds appropriated to the DEP for I/M Program related duties. DEP fulfills its responsibilities for motor vehicle emissions inspections through PennDOT's Drive Clean PA Program. Therefore, there would be no fiscal impact to DEP.

Finally, the commission reported that cost savings to consumers would be roughly offset by the loss of income to the inspection stations. PennDOT would also be collecting $5.3 million less by the elimination of the program management fee for the first eight years after a vehicles manufacturing date.

It is assumed that any programmatic changes that may be needed by DEP would be minimal and capable of being accommodated within the agency's current workload and budget.