

AMENDED IN ASSEMBLY MAY 1, 1997
AMENDED IN ASSEMBLY APRIL 15, 1997

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

ASSEMBLY BILL

No. 1492

Introduced by Assembly Member Baugh

February 28, 1997

~~An act to amend Sections 44011 and 44014.5 of, and to add Section 44015.1 to, the Health and Safety Code, to add Sections 17053.75, 17053.76, and 23650 to the Revenue and Taxation Code, and to amend Section 4000.1 of, and to repeal Section 4000.7 of, the Vehicle Code, relating to air pollution. An act relating to air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1492, as amended, Baugh. Vehicle inspection and maintenance.

Existing law establishes the motor vehicle inspection and maintenance program.

This bill would make legislative findings and declarations relative to the program.

~~(1) Existing law exempts motor vehicles manufactured prior to the 1966 model year from the motor vehicle inspection program.~~

~~This bill would instead exempt motor vehicles 30 model years of age or older from the program.~~

~~(2) Existing law subjects new vehicles to the requirement for a biennial certificate of compliance commencing upon the 2nd renewal of the registration.~~

~~This bill would exempt those vehicles from the requirement for a certificate of compliance until the 4th renewal of the registration.~~

~~(3) The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.~~

~~This bill would authorize a credit against those taxes for each taxable and income year beginning on or after January 1, 1997, of 25% of the amount paid or incurred during the taxable or income year for the purchase of specified equipment by a smog check station owner under a specified condition.~~

~~The bill would authorize a credit against the taxes imposed by the Personal Income Tax Law for each taxable year beginning on or after January 1, 1997, of 50% of the amount paid or incurred during the taxable or income year for the excess cost, as specified, of repairing a gross polluting vehicle.~~

~~(4) The bill would require the Department of Consumer Affairs to transmit to the Legislature, not later than July 1, 1998, prescribed information relating to the smog check program and require the department to issue repair cost waivers to owners of gross polluters until the Legislature enacts a low-income car-owner assistance program.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: no.~~

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and
2 declares all of the following:

3 (a) Since the adoption of the federal Clean Air Act in
4 1972, California has made great strides in improving air
5 quality.

6 (b) To comply with federal air quality standards by the
7 year 2010, and to meet every Californian's desire for
8 cleaner air, further reductions in air pollution are
9 necessary.



1 (c) California's stationary source industries and
2 businesses are already among the cleanest in the world,
3 and tighter regulations will achieve few additional
4 pollution reductions.

5 (d) Mobile sources generate roughly one-half of all the
6 remaining air pollution in this state, and the worst
7 polluting 10 to 15 percent of automobiles generate
8 one-half of all the pollution caused by mobile sources.

9 (e) Motor vehicle inspection and maintenance
10 programs can significantly reduce vehicle emissions and
11 thereby contribute to the attainment of clean air
12 standards.

13 (f) Any motor vehicle inspection and maintenance
14 program should provide the maximum possible pollution
15 reduction at a minimum cost and inconvenience to the
16 people of the state.

17 (g) The Legislature recognizes that where new
18 government regulations impose significant costs on
19 businesses or individuals, the government has a
20 responsibility to ensure that the burden of compliance
21 does not fall unfairly on any one group or class of people.

22 ~~SEC. 2. Section 44011 of the Health and Safety Code~~
23 ~~is amended to read:~~

24 ~~44011. (a) All motor vehicles powered by internal~~
25 ~~combustion engines that are registered within an area~~
26 ~~designated for program coverage shall be required~~
27 ~~biennially to obtain a certificate of compliance or~~
28 ~~noncompliance, except for all of the following:~~

29 ~~(1) Every motorcycle, and every diesel-powered~~
30 ~~vehicle, until the department, pursuant to Section 44012,~~
31 ~~implements test procedures applicable to motorcycles or~~
32 ~~to diesel-powered vehicles, or both.~~

33 ~~(2) Any motor vehicle that has been issued a~~
34 ~~certificate of compliance or noncompliance or an~~
35 ~~emission cost waiver upon a change of ownership or initial~~
36 ~~registration in this state during the preceding six months.~~

37 ~~(3) Any motor vehicle 30 model years of age or older.~~

38 ~~(4) Any motor vehicle that the department~~
39 ~~determines would present prohibitive inspection or~~
40 ~~repair problems.~~



1 ~~(5) Any vehicle registered to the owner of a fleet~~
2 ~~licensed pursuant to Section 44020 if the vehicle is~~
3 ~~garaged exclusively outside the area included in program~~
4 ~~coverage, and is not primarily operated inside the area~~
5 ~~included in program coverage.~~

6 ~~(6) Any model of motor vehicle that the bureau~~
7 ~~exempts based on the emitter profile of the vehicle. The~~
8 ~~emitter profile may include, but is not limited to, vehicle~~
9 ~~make, model, year of manufacture, engine type, and past~~
10 ~~smog check history.~~

11 ~~(7) Any new motor vehicle, prior to the fourth~~
12 ~~renewal of its registration.~~

13 ~~(b) Vehicles designated for program coverage in~~
14 ~~enhanced areas shall be required to obtain inspections~~
15 ~~from appropriate smog check stations operating in~~
16 ~~enhanced areas.~~

17 ~~SEC. 3. Section 44014.5 of the Health and Safety Code~~
18 ~~is amended to read:~~

19 ~~44014.5. (a) The enhanced program shall provide for~~
20 ~~the testing and retesting of vehicles in accordance with~~
21 ~~Sections 44010.5 and 44014.2 and this section.~~

22 ~~(b) The repair of vehicles at test-only facilities shall be~~
23 ~~prohibited, except that the minor repair of components~~
24 ~~damaged by station personnel during inspection at the~~
25 ~~station, any minor repair that is necessary for the safe~~
26 ~~operation of a vehicle while at a station, or other minor~~
27 ~~repairs, such as the reconnection of hoses or vacuum lines,~~
28 ~~may be undertaken at no charge to the vehicle owner or~~
29 ~~operator if authorized in advance in writing by the~~
30 ~~department.~~

31 ~~(c) The department shall provide for the distribution~~
32 ~~to consumers by test-only facilities of a list, compiled by~~
33 ~~region, of smog check stations licensed to make repairs of~~
34 ~~vehicular emission control systems. A test-only facility~~
35 ~~shall not refer a vehicle owner to any particular provider~~
36 ~~of vehicle repair services.~~

37 ~~(d) The department shall establish standards for~~
38 ~~training, equipment, performance, or data collection for~~
39 ~~test-only facilities.~~



1 ~~(e) The department shall prohibit test-only facilities~~
2 ~~from engaging in other business activities that represent~~
3 ~~a conflict of interest, as determined by the department.~~

4 ~~(f) The test-only facility may charge a fee, established~~
5 ~~by the department, sufficient to cover the facility's cost~~
6 ~~to perform the tests or services, including, but not limited~~
7 ~~to, referee services and the issuance of waivers and~~
8 ~~hardship extensions required by this chapter. In addition,~~
9 ~~the station shall charge and collect the certificate fee~~
10 ~~established pursuant to Section 44060. This subdivision~~
11 ~~shall apply only to facilities contracted for pursuant to~~
12 ~~subdivision (e) of Section 44010.5.~~

13 ~~(g) The department shall ensure that there is a~~
14 ~~sufficient number of test-only facilities to provide~~
15 ~~convenient testing for the following vehicles:~~

16 ~~(1) All vehicles identified and confirmed as gross~~
17 ~~polluters pursuant to Section 44081 and Section 27156 of~~
18 ~~the Vehicle Code.~~

19 ~~(2) All vehicles identified by a smog check station~~
20 ~~prior to repairs as having been tampered with.~~

21 ~~(3) (A) Vehicles initially identified as gross polluters~~
22 ~~by a smog check station licensed as a test and repair~~
23 ~~station and certified pursuant to Section 44014.2 may be~~
24 ~~issued a certificate of compliance by a test-only facility or~~
25 ~~by the licensed smog check station certified pursuant to~~
26 ~~Section 44014.2 at which they were initially identified as~~
27 ~~a gross polluter.~~

28 ~~(B) For purposes of this section, the department may~~
29 ~~conduct a pilot program to allow vehicles initially~~
30 ~~identified as gross polluters to be repaired and issued a~~
31 ~~certificate of compliance by a facility licensed and~~
32 ~~certified pursuant to Section 44014.2. For the purposes of~~
33 ~~this pilot program, the department may adopt~~
34 ~~regulations imposing additional station requirements.~~

35 ~~(4) All vehicles designated by the department~~
36 ~~pursuant to Sections 44014.7 and 44020.~~

37 ~~(5) Vehicles issued an economic hardship extension in~~
38 ~~the previous biennial inspection of the vehicle.~~

39 ~~(h) The department shall provide a sufficient number~~
40 ~~of test-only facilities authorized to perform referee~~



1 functions to provide convenient testing for those vehicles
2 that are required to report to, and receive a certificate of
3 compliance from, a test-only facility by this chapter,
4 including all of the following:

5 (1) All vehicles seeking to utilize state-operated
6 financial assistance or inclusion in authorized scrap
7 programs.

8 (2) All vehicles unable to obtain a certificate of
9 compliance from a licensed smog check station pursuant
10 to subdivision (c) of Section 44015.

11 (3) Any other vehicles that may be designated by the
12 department.

13 (i) (1) Gross polluters shall be referred to a test-only
14 facility, or a test-and-repair station that is both licensed
15 and certified pursuant to Sections 44014 and 44014.2 and
16 is participating in the pilot program pursuant to
17 subparagraph (B) of paragraph (3) of subdivision (g), for
18 a postrepair inspection and retest pursuant to subdivision
19 (g). Simply passing the emissions test shall not be a
20 sufficient condition for receiving a certificate of
21 compliance. A certificate of compliance shall only be
22 issued to a vehicle that does not have any defects with its
23 emission control system or any defects that could lead to
24 damage of its emission control system, as provided in
25 regulations adopted by the department.

26 (2) The department shall require all vehicles that are
27 tested pursuant to this chapter and found to have been
28 tampered with to be tested annually at a test-only facility
29 for at least two, but not more than five, consecutive years,
30 as the department determines to be necessary to ensure
31 that the program will comply with Environmental
32 Protection Agency performance standards.

33 SEC. 4. Section 44015.1 is added to the Health and
34 Safety Code, to read:

35 44015.1. Notwithstanding subdivision (d) of Section
36 44015, the bureau shall issue repair cost waivers to owners
37 of gross polluters who cannot repair their vehicles within
38 the applicable cost limit prescribed in subdivision (a) or
39 (b) of Section 44017, until a low-income car-owner



1 ~~assistance program has been enacted by the Legislature~~
2 ~~and is in effect.~~

3 ~~SEC. 5. Section 17053.75 is added to the Revenue and~~
4 ~~Taxation Code, to read:~~

5 ~~17053.75. (a) For each taxable year beginning on or~~
6 ~~after January 1, 1997, there shall be allowed as a credit~~
7 ~~against the "net tax," as defined in Section 17039, an~~
8 ~~amount equal to 50 percent of the amount paid or~~
9 ~~incurred during the taxable year for the cost of repairing~~
10 ~~a motor vehicle that is a gross polluter, as defined in~~
11 ~~Section 39032.5 of the Health and Safety Code, in excess~~
12 ~~of the applicable amount prescribed in subdivision (a) or~~
13 ~~(b) of Section 44017 of the Health and Safety Code,~~
14 ~~necessary to bring the vehicle into compliance with~~
15 ~~applicable emission standards.~~

16 ~~(b) In the case where the credit allowed by this section~~
17 ~~exceeds the "net tax," the excess may be carried over to~~
18 ~~reduce the "net tax" in the following year, and~~
19 ~~succeeding years if necessary, until the credit is~~
20 ~~exhausted.~~

21 ~~SEC. 6. Section 17053.76 is added to the Revenue and~~
22 ~~Taxation Code, to read:~~

23 ~~17053.76. (a) For each taxable year beginning on or~~
24 ~~after January 1, 1998, there shall be allowed as a credit~~
25 ~~against the "net tax," as defined in Section 17039, an~~
26 ~~amount equal to 25 percent of the amount paid or~~
27 ~~incurred during the taxable year for the purchase by the~~
28 ~~owner of a smog check station of equipment necessary to~~
29 ~~comply with Chapter 5 (commencing with Section~~
30 ~~44000) of Part 5 of Division 26 of the Health and Safety~~
31 ~~Code.~~

32 ~~(b) In the case where the credit allowed by this section~~
33 ~~exceeds the "net tax," the excess may be carried over to~~
34 ~~reduce the "net tax" in the following year, and~~
35 ~~succeeding years if necessary, until the credit is~~
36 ~~exhausted.~~

37 ~~(c) This section shall become operative on July 1, 1998,~~
38 ~~only if the Department of Consumer Affairs has not~~
39 ~~complied with subdivision (b) of Section 9 of the act that~~
40 ~~added this section.~~



1 ~~SEC. 7. Section 23650 is added to the Revenue and~~
2 ~~Taxation Code, to read:~~

3 ~~23650. (a) For each income year beginning on or~~
4 ~~after January 1, 1998, there shall be allowed as a credit~~
5 ~~against the "tax," as defined in Section 23036, an amount~~
6 ~~equal to 25 percent of the amount paid or incurred during~~
7 ~~the income year for the purchase by the owner of a smog~~
8 ~~check station of equipment necessary to comply with~~
9 ~~Chapter 5 (commencing with Section 44000) of Part 5 of~~
10 ~~Division 26 of the Health and Safety Code.~~

11 ~~(b) In the case where the credit allowed by this section~~
12 ~~exceeds the "tax," the excess may be carried over to~~
13 ~~reduce the "tax" in the following year, and succeeding~~
14 ~~years if necessary, until the credit is exhausted.~~

15 ~~(c) This section shall become operative on July 1, 1998,~~
16 ~~only if the Department of Consumer Affairs has not~~
17 ~~complied with subdivision (b) of Section 9 of the act that~~
18 ~~added this section.~~

19 ~~SEC. 8. Section 4000.1 of the Vehicle Code is amended~~
20 ~~to read:~~

21 ~~4000.1. (a) Except as otherwise provided in~~
22 ~~subdivision (b), (c), or (d) of this section, or subdivision~~
23 ~~(b) of Section 43654 of the Health and Safety Code, the~~
24 ~~department shall require, upon initial registration, and~~
25 ~~upon transfer of ownership and registration, of any motor~~
26 ~~vehicle subject to Part 5 (commencing with Section~~
27 ~~43000) of Division 26 of the Health and Safety Code, and~~
28 ~~upon registration of a motor vehicle previously registered~~
29 ~~outside this state that is subject to those provisions of the~~
30 ~~Health and Safety Code, a valid certificate of compliance~~
31 ~~or a certificate of noncompliance, as appropriate, issued~~
32 ~~in accordance with Section 44015 of the Health and Safety~~
33 ~~Code.~~

34 ~~(b) With respect to new vehicles certified pursuant to~~
35 ~~Chapter 2 (commencing with Section 43100) of Part 5 of~~
36 ~~Division 26 of the Health and Safety Code, the~~
37 ~~department shall accept a statement completed pursuant~~
38 ~~to subdivision (b) of Section 24007 in lieu of the certificate~~
39 ~~of compliance.~~



1 ~~(e) For purposes of determining the validity of a~~
2 ~~certificate of compliance or noncompliance submitted in~~
3 ~~compliance with this section, the definitions of new and~~
4 ~~used motor vehicle contained in Chapter 2 (commencing~~
5 ~~with Section 39010) of Part 1 of Division 26 of the Health~~
6 ~~and Safety Code shall control.~~

7 ~~(d) Subdivision (a) does not apply to a transfer of~~
8 ~~ownership and registration under any of the following~~
9 ~~circumstances:~~

10 ~~(1) In any air pollution control or air quality~~
11 ~~management district in which biennial certification is~~
12 ~~required and a valid certificate was issued in connection~~
13 ~~with the most recent renewal of registration of the~~
14 ~~vehicle, and the transfer occurred not more than 60 days~~
15 ~~following the date by which that renewal of registration~~
16 ~~was required.~~

17 ~~(2) The transferor is either the parent, grandparent,~~
18 ~~sibling, child, grandchild, or spouse of the transferee.~~

19 ~~(3) A vehicle registered to a sole proprietorship is~~
20 ~~transferred to the proprietor as owner.~~

21 ~~(4) The transfer is between companies whose~~
22 ~~principal business is leasing vehicles, if there is no change~~
23 ~~in the lessee or operator of the vehicle or between the~~
24 ~~lessor and the person who has been, for at least one year,~~
25 ~~the lessee's operator of the vehicle.~~

26 ~~(5) The transfer is between the lessor and lessee of the~~
27 ~~vehicle, if there is no change in the lessee or operator of~~
28 ~~the vehicle.~~

29 ~~(6) The vehicle is 30 model years of age or older.~~

30 ~~(7) Any new motor vehicle prior to the fourth renewal~~
31 ~~of its registration.~~

32 ~~(e) The State Air Resources Board, under Part 5~~
33 ~~(commencing with Section 43000) of Division 26 of the~~
34 ~~Health and Safety Code, may exempt designated~~
35 ~~classifications of motor vehicles from subdivision (a) as it~~
36 ~~determines to be necessary, and shall notify the~~
37 ~~department of that action.~~

38 ~~(f) Subdivision (a) does not apply to a motor vehicle~~
39 ~~when an additional individual is added as a registered~~
40 ~~owner of the vehicle.~~



1 ~~SEC. 9. Section 4000.7 of the Vehicle Code is repealed.~~
2 ~~SEC. 10. The Department of Consumer Affairs shall~~
3 ~~do all of the following:~~
4 ~~(a) Recommend to the Legislature, not later than July~~
5 ~~1, 1998, a program to assist low-income car owners in~~
6 ~~meeting their Smog Check II obligations.~~
7 ~~(b) Recommend to the Legislature a program to~~
8 ~~defray the cost of new equipment purchases necessary for~~
9 ~~smog check station owners to meet the requirements of~~
10 ~~Smog Check II, including, but not limited to,~~
11 ~~dynamometers.~~
12 ~~(c) Provide to the Legislature a study showing the~~
13 ~~correlation between gross polluters who fail the smog test~~
14 ~~because of hydrocarbon emissions and gross polluters~~
15 ~~who fail the test for nitrous oxide emissions.~~
16 ~~(d) Develop and transmit to the Legislature a white~~
17 ~~paper on the future of the smog check program after~~
18 ~~2005, addressing which techniques and technologies will~~
19 ~~likely be available for emissions testing, and discussing the~~
20 ~~advantages and disadvantages of each.~~

