

AMENDED IN SENATE AUGUST 11, 1997

AMENDED IN SENATE JULY 3, 1997

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~~ 44001, 44003, 44005, 44011, 44014, 44014.5, 44015, 44017, 44036, and 44040 of, to add Section 44024.5 to, to add and repeal Section 44017.1 of, and to repeal Section 44015.3 of, 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, repeal Section 4000.7 of the Vehicle Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1492, as amended, Baugh. ~~Vehicle~~ Air pollution: motor vehicle inspection and maintenance.

(1) Existing law establishes a motor vehicle inspection and maintenance (smog check) program, administered by the Department of Consumer Affairs and the State Air Resources Board. The smog check program is required to provide for inspection of motor vehicles upon registration, renewal of

registration, transfer of ownership, and in certain other circumstances.

This bill would require the smog check program to provide for the inspection of specified motor vehicles, as determined by the department.

(2) Existing law, a part of the smog check program, requires all motor vehicles that are registered in designated areas of the state to biennially obtain a certificate of compliance or noncompliance with motor vehicle emission standards, except for certain exempted motor vehicles. Existing law provides that the cost limit for repairs under the smog check program shall be a minimum of \$450, except as specified. Existing law requires the issuance of an emission cost waiver for a motor vehicle that has been properly tested but does not meet the applicable emission standards, if no adjustment or repair will reduce emissions from the vehicle without exceeding the \$450 cost limit. The department is required to develop and implement either a repair subsidy program or a program that would provide for a 12-month economic hardship extension for motor vehicles from the biennial certificate of compliance requirement under specified circumstances, as prescribed. Existing law requires the smog check program to be implemented when the department has issued a public notice declaring that the program for testing a specified percentage of vehicles at test-only stations is operational or when specified testing is operative, and would delay the use of the \$450 cost limit until that time, as specified.

A violation of any provision relating to those requirements is a misdemeanor.

This bill would authorize the department, after fulfilling specified requirements, to conduct a pilot program to exempt certain motor vehicles from the biennial certification requirement and, with the approval of the Environmental Protection Agency, to establish permanent exemptions. The bill would exempt from the biennial certification requirement any motor vehicle or class of motor vehicles 4 years old or less, except as specified.

The bill would repeal certain provisions regarding the economic hardship extension program. The bill would change



references to “emission cost waiver” to “repair cost waiver,” and would require that such a waiver be issued only upon request. The bill would prohibit the issuance of a repair cost waiver until all appropriate emissions-related partial repairs up to the amount of the repair cost limit have been performed.

The bill would repeal the provisions delaying the use of the \$450 repair cost limit and would, until January 1, 2000, lower the \$450 repair cost limit to \$250 for motor vehicle owners that qualify as low-income. The bill would subject any person who obtains or attempts to obtain a repair cost waiver by falsifying information to a civil penalty of not less than \$150 and not more than \$1,000, and would prohibit them from receiving any repair assistance pursuant to specified existing law.

(3) Existing law establishes an enhanced motor vehicle inspection and maintenance program in specified areas.

This bill would require the department and the state board to jointly assess the enhanced program periodically to determine whether changes to the enhanced program may be warranted and would require the department and the state board, on or before January 1, 2003, to jointly issue a report based on those assessments, recommending specified modifications.

(4) Existing law requires the testing and repair portion of the smog check program to be conducted by licensed smog check stations, and authorizes a station to be licensed as a smog check test-only station. Existing law requires the department, in enhanced program areas, to contract with test-only stations to provide referee services to the extent necessary to provide appropriate access to referee functions.

This bill would authorize the department to authorize qualified test-only stations to perform referee services and would authorize the department to adopt specified regulations with regard to qualification and the provision of referee services.

(5) 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 that are 25 or more model-years old 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)~~

(6) 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 *in excess of \$10,000* 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 *in excess of \$450* paid or incurred during the taxable or income year ~~for the excess cost, as specified, of repairing to repair a gross polluting vehicle to comply with emissions standards.~~

~~(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.~~

(7) *The bill would require the state board, on or before January 1, 2003, to design a new proposed program to replace the existing motor vehicle inspection and maintenance program and submit to the Legislature a report on that new program. The bill would make a related statement of legislative intent.*

(8) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.



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

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.

10 (c) California's stationary source industries and
11 businesses are already among the cleanest in the world,
12 and tighter regulations will achieve few additional
13 pollution reductions.

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

18 (e) Motor vehicle inspection and maintenance
19 programs can significantly reduce vehicle emissions and
20 thereby contribute to the attainment of clean air
21 standards.

22 (f) Any motor vehicle inspection and maintenance
23 program should provide the maximum possible pollution
24 reduction at a minimum cost and inconvenience to the
25 people of the state.

26 (g) The Legislature recognizes that where new
27 government regulations impose significant costs on
28 businesses or individuals, the government has a
29 responsibility to ensure that the burden of compliance
30 does not fall unfairly on any one group or class of people.

31 SEC. 2. *It is the intent of the Legislature that the*
32 *Department of Consumer Affairs and the State Air*
33 *Resources Board adhere to the following principles in*
34 *implementing the motor vehicle inspection and*
35 *maintenance program established by Chapter 5*



1 (commencing with Section 44000) of Part 5 of Division 26
2 of the Health and Safety Code:

3 (a) To promote consumer convenience and
4 acceptance, a program phase-in of the enhanced smog
5 check program requirements in those areas newly subject
6 to those requirements should be developed. Any program
7 phase-in should be consistent with the availability of test,
8 repair, referee, and other facilities necessary to provide
9 reliable and convenient service to vehicle owners subject
10 to the program.

11 (b) Consistent with Section 44070.5, the Department
12 of Consumer Affairs shall develop and implement a
13 thorough public awareness and education program that
14 provides motor vehicle owners with information about
15 enhanced smog check program features, such as the
16 causes of smog check failures, vehicle retesting, repair,
17 referee station options, the importance of proper
18 maintenance and effective repairs, and any economic
19 relief programs. Such a program is essential to the success
20 of the inspection and maintenance program.

21 (c) It is the intent of the Legislature that the enhanced
22 smog check program should be reviewed and modified,
23 as appropriate, based on improvements in the program,
24 technological advances in testing and diagnostic
25 equipment, including remote sensing devices, and
26 vehicle emission control technology when appropriate. It
27 is further the intent of the Legislature that a new
28 program should replace that program not later than 2005.

29 SEC. 3. Section 44001 of the Health and Safety Code
30 is amended to read:

31 44001. (a) The Legislature hereby finds and declares
32 that California has been required, by the amendments
33 enacted to the Clean Air Act in 1990, and by regulations
34 adopted by the Environmental Protection Agency, to
35 enhance California's existing motor vehicle inspection
36 and maintenance program to meet new, more stringent
37 emission reduction targets. Therefore, the Legislature
38 declares that the 1994 amendments to this chapter are
39 adopted to implement further improvements in the
40 existing inspection and maintenance program so that



1 California will meet or exceed the new emission
2 reduction targets.

3 (b) The Legislature further finds and declares all of
4 the following:

5 (1) California is recognized as a leader in establishing
6 performance standards for its air quality programs and
7 those standards have been adopted by many other states
8 and countries.

9 (2) Studies show that a minority of motor vehicles
10 produce a disproportionate amount of the pollution
11 caused by vehicle emissions. Those vehicles are referred
12 to as gross polluters.

13 (3) The concept of periodic testing alone does not act
14 as a sufficient deterrent to tampering, or as a sufficient
15 incentive for vigilant vehicle maintenance by a
16 significant percentage of motorists. Gross polluters
17 continue to be driven on the roadways of California.

18 (4) (A) New technology, known as remote sensing,
19 offers great promise as a cost-effective means to detect
20 vehicles emitting excess emissions as the vehicles are
21 being driven. This type of detection offers many valuable
22 applications, especially its use between scheduled tests, as
23 an inexpensive, random, and pervasive means of
24 identifying vehicles which are gross polluters and
25 targeting those vehicles for repair or other methods of
26 emission reduction.

27 (B) *Another new technology, the development of*
28 *emissions profiles for motor vehicles, allows the motor*
29 *vehicle inspection program to accurately identify both*
30 *high- and low-emitting vehicles. This technology may*
31 *allow the full or partial exception of certain vehicles from*
32 *biennial certification requirements to the extent*
33 *determined by the department.*

34 (5) California continues to seek strict adherence to
35 federal and state performance standards and to
36 results-based evaluations that meet the state's unique
37 circumstances, and which consist of all of the following:

38 (A) Acceptance of the shared obligation and personal
39 responsibility required to successfully inspect and
40 maintain millions of motor vehicles. Specifically, that



1 obligation begins with this chapter, and extends through
2 those regulators charged with its implementation and
3 enforcement. Through the enactment of the 1994
4 amendments to this chapter, the Legislature hereby
5 recognizes and seeks to encourage, through a number of
6 innovative and significant steps, the critical role that each
7 California motorist must play in maintaining his or her
8 vehicle's emission control systems in proper working
9 order, in such a way as to continuously meet mandated
10 emission control standards and ensure for California the
11 clean air essential to the health of its citizens, its
12 communities, and its economy.

13 (B) A focus on the detection, diagnosis, and repair of
14 broken, tampered, or malfunctioning vehicle emission
15 control systems.

16 (C) Flexibility to incorporate *and implement* future
17 new scientific findings and technological advances.

18 (D) Consideration of convenience and costs to those
19 who are required to participate, including motorists,
20 smog check stations, and technicians.

21 (E) An enforcement program which is vigorous and
22 effective and includes monitoring of the performance of
23 the smog check test or repair stations and technicians, as
24 well as the monitoring of vehicle emissions as vehicles are
25 being driven.

26 (c) The Legislature further finds and declares that
27 California is, as of the effective date of this section,
28 implementing a number of motor vehicle emission
29 reduction strategies far beyond the effort undertaken by
30 any other state, including all of the following:

31 (1) California certification standards exceed those of
32 the other 49 states, increasing the cost of a new car to a
33 California consumer by one hundred fifty dollars (\$150)
34 or more.

35 (2) State board regulations mandate increasing
36 availability for sale of low-emission, ultra-low emission,
37 and zero-emission vehicles, including, ~~by 1998, 2 percent;~~
38 ~~by 2001, 5 percent; and,~~ by 2003, 10 percent zero-emission
39 vehicles.



1 (3) Effective in 1996, state board regulations mandate
2 the reformulation of gasoline for reduced emissions, at an
3 estimated increased *production* cost ~~to the consumer~~ of
4 42 5 to 47 15 cents per gallon due to refinery modifications
5 and higher production costs.

6 (4) Cleaner diesel fuel regulations, more stringent
7 than federal standards, took effect in California in
8 October 1993, increasing diesel fuel costs by 4 to 6 cents
9 per gallon.

10 (5) California law provides for vehicle registration
11 surcharges of up to four dollars (\$4) per vehicle in
12 nonattainment areas for air quality-related projects.

13 (6) California law taxes cleaner fuels at one-half the
14 rate of gasoline and diesel fuel.

15 (7) California law provides tax credits for the purchase
16 of low-emission vehicles.

17 (8) California requires smog checks and repairs
18 whenever a vehicle changes ownership, some 3 million
19 vehicles annually, in addition to the regular biennial tests.

20 (9) Low-value vehicles are discouraged from entering
21 California due to the imposition of a three hundred dollar
22 (\$300) smog impact fee on vehicles that are not
23 manufactured to California certification standards.

24 (10) California imposes sales taxes on motor vehicle
25 fuels and dedicates most of those revenues to mass transit.
26 This increases the cost of fuels by seven cents (\$.07) per
27 gallon.

28 (11) Transportation sales taxes in most urban counties
29 also generate substantial funding for transit and other
30 congestion-reduction measures, costing the average
31 urban California resident fifty dollars (\$50) to one
32 hundred dollars (\$100) annually, which would be the
33 equivalent of another 8 to 16 cents per gallon of fuel.

34 *SEC. 4. Section 44003 of the Health and Safety Code*
35 *is amended to read:*

36 44003. (a) (1) An enhanced vehicle inspection and
37 maintenance program is established in each urbanized
38 area of the state, any part of which is classified by the
39 Environmental Protection Agency as a serious, severe, or
40 extreme nonattainment area for ozone or a moderate or



1 serious nonattainment area for carbon monoxide with a
2 design value greater than 12.7 ppm, and in other areas of
3 the state as provided in this chapter.

4 (2) *The enhanced vehicle inspection and*
5 *maintenance program established pursuant to paragraph*
6 *(1) shall be assessed jointly by the department and the*
7 *state board periodically to determine whether changes in*
8 *the program may be warranted. On or before January 1,*
9 *2003, the department and the state board shall jointly*
10 *issue a report to the Legislature based on those periodic*
11 *assessments, recommending any modifications to the*
12 *enhanced program to improve its operations and lessen*
13 *its impact on consumers while still achieving the*
14 *necessary emission reductions to attain air quality*
15 *standards.*

16 (3) A basic vehicle inspection and maintenance
17 program shall be continued in all other areas of the state
18 where a program was in existence under this chapter as
19 of the effective date of this paragraph.

20 (b) The department may prescribe different test
21 procedures and equipment requirements for those areas
22 described in subdivision (a). Program components shall
23 be operated in all program areas unless otherwise
24 indicated, as determined by the department. In those
25 areas where the biennial program is not implemented
26 and smog check inspections are required to complete the
27 requirements set forth in Sections 4000.1 and 4000.2 of the
28 Vehicle Code, program elements that apply in basic
29 areas, including test equipment requirements for smog
30 check stations, shall apply.

31 (c) (1) Districts classified as attainment areas may
32 request the department to implement all or part of the
33 program elements defined in this chapter. However, the
34 department shall not implement the program established
35 by Section 44010.5 in any area other than an urbanized
36 area, any part of which is classified by the Environmental
37 Protection Agency as a serious, severe, or extreme
38 nonattainment area for ozone or a moderate or serious
39 nonattainment area for carbon monoxide with a design
40 value greater than 12.7 ppm.



1 (2) Districts that include areas classified as basic
2 program nonattainment areas pursuant to subdivision (a)
3 may, except as provided in paragraph (1), request the
4 implementation in those areas of test procedures and
5 equipment required for enhanced program areas and any
6 other program requirement specified for enhanced
7 program areas.

8 *SEC. 5. Section 44005 of the Health and Safety Code*
9 *is amended to read:*

10 44005. (a) The Department of Motor Vehicles shall
11 cooperate with the department in implementing any
12 changes to enhance the program to achieve greater
13 efficiency, cost-effectiveness, and convenience, or to
14 reduce excess emissions in accordance with this chapter.

15 (b) The program shall provide for inspection of
16 *specified* motor vehicles, *as determined by the*
17 *department*, upon initial registration, biennially upon
18 renewal of registration, upon transfer of ownership, upon
19 the issuance of a notice of noncompliance to a gross
20 polluter pursuant to Section 44081, and as otherwise
21 provided in this chapter.

22 *SEC. 6. 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~~ *a repair* cost waiver upon a change of ownership
36 or initial registration in this state during the preceding six
37 months.

38 (3) Any motor vehicle that is 25 or more model-years
39 old.



1 (4) (A) Any motor vehicle four or less model-years
2 old.

3 (B) Any motor vehicle excepted by this paragraph
4 shall be subject to testing and to certification
5 requirements as determined by the department, if any of
6 the following apply:

7 (i) The department determines through remote
8 sensing activities or other means that there is a substantial
9 probability that the vehicle has a tampered emission
10 control system or would fail for other cause a smog check
11 test as specified in Section 44012.

12 (ii) The vehicle is undergoing initial registration in
13 this state.

14 (iii) The vehicle is being registered as a specially
15 constructed vehicle.

16 (iv) The vehicle has been selected for testing pursuant
17 to Section 44014.7 or any other provision of this chapter
18 authorizing out-of-cycle testing.

19 (5) Any motor vehicle or class of motor vehicles
20 exempted pursuant to subdivision (b) of Section 44024.5.

21 (6) Any motor vehicle that the department
22 determines would present prohibitive inspection or
23 repair problems.

24 ~~(5)~~

25 (7) Any vehicle registered to the owner of a fleet
26 licensed pursuant to Section 44020 if the vehicle is
27 garaged exclusively outside the area included in program
28 coverage, and is not primarily operated inside the area
29 included in program coverage.

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

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

37 (b) Vehicles designated for program coverage in
38 enhanced areas shall be required to obtain inspections
39 from appropriate smog check stations operating in
40 enhanced areas.



1 ~~SEC. 3.—~~

2 *SEC. 7. Section 44014 of the Health and Safety Code*
3 *is amended to read:*

4 44014. (a) Except as otherwise provided in this
5 chapter, the testing and repair portion of the program
6 shall be conducted by smog check stations licensed by the
7 department, and by smog check technicians who have
8 qualified pursuant to this chapter.

9 (b) (1) A smog check station may be licensed by the
10 department as a smog check test-only station and, when
11 so licensed, need not comply with the requirement for
12 onsite availability of current service and adjustment
13 procedures specified in paragraph (3) of subdivision (b)
14 of Section 44030. A smog check technician employed by
15 a smog check ~~test-only~~ *test-only* station shall be qualified
16 in accordance with this section.

17 (2) *The department may authorize qualified test-only*
18 *stations to perform referee services. The department*
19 *may adopt regulations to establish qualification standards*
20 *and any special administrative, operational, and licensure*
21 *standards that the department determines to be*
22 *necessary for test-only stations that perform referee*
23 *services.*

24 (c) A smog check station may also be licensed as a
25 repair-only station, and if so licensed, may perform
26 repairs to reduce excessive emissions on vehicles which
27 have failed the smog check test. Repair procedures and
28 equipment requirements shall be established by the
29 department. Technicians employed by a smog check
30 repair-only station shall be qualified in accordance with
31 this section.

32 (d) Smog check technicians are qualified to test and
33 repair only those classes and categories of vehicles for
34 which they have passed a qualification test administered
35 by the department. The department shall provide for
36 smog check technicians to be qualified for different
37 categories of motor vehicle inspection based on vehicle
38 classification and model-year.

39 (e) The consumer protection-oriented quality
40 assurance portion of the program, ~~shall~~ *may* be conducted



1 by *one or more* ~~than one~~ private ~~entity~~ *entities* pursuant
2 to contracts with the department.

3 *SEC. 8.* Section 44014.5 of the Health and Safety Code
4 is amended to read:

5 44014.5. (a) The enhanced program shall provide for
6 the testing and retesting of vehicles in accordance with
7 Sections 44010.5 and 44014.2 and this section.

8 (b) The repair of vehicles at test-only facilities shall be
9 prohibited, except that the minor repair of components
10 damaged by station personnel during inspection at the
11 station, any minor repair that is necessary for the safe
12 operation of a vehicle while at a station, or other minor
13 repairs, such as the reconnection of hoses or vacuum lines,
14 may be undertaken at no charge to the vehicle owner or
15 operator if authorized in advance in writing by the
16 department.

17 (c) The department shall provide for the distribution
18 to consumers by test-only facilities of a list, compiled by
19 region, of smog check stations licensed to make repairs of
20 vehicular emission control systems. A test-only facility
21 shall not refer a vehicle owner to any particular provider
22 of vehicle repair services.

23 (d) The department shall establish standards for
24 training, equipment, performance, or data collection for
25 test-only facilities.

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

29 (f) The test-only facility may charge a fee, established
30 by the department, sufficient to cover the facility's cost
31 to perform the tests or services, including, but not limited
32 to, referee services and the issuance of waivers and
33 hardship extensions required by this chapter. In addition,
34 the station shall charge and collect the certificate fee
35 established pursuant to Section 44060. This subdivision
36 shall apply only to facilities contracted for pursuant to
37 subdivision (e) of Section 44010.5.

38 (g) The department shall ensure that there is a
39 sufficient number of test-only facilities to provide
40 convenient testing for the following vehicles:



1 (1) All vehicles identified and confirmed as gross
2 polluters pursuant to Section 44081 and Section 27156 of
3 the Vehicle Code.

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

6 ~~(3)~~

7 (2) (A) Vehicles initially identified as gross polluters
8 by a smog check station licensed as a test-and-repair
9 station and certified pursuant to Section 44014.2 may be
10 issued a certificate of compliance by a test-only facility or
11 by the licensed smog check station certified pursuant to
12 Section 44014.2 at which they were initially identified as
13 a gross polluter.

14 (B) For purposes of this section, the department may
15 conduct a pilot program to allow vehicles initially
16 identified as gross polluters to be repaired and issued a
17 certificate of compliance by a facility licensed and
18 certified pursuant to Section 44014.2. For the purposes of
19 this pilot program, the department may adopt
20 regulations imposing additional station requirements.

21 ~~(4)~~

22 (3) All vehicles designated by the department
23 pursuant to Sections 44014.7 and 44020.

24 ~~(5)~~

25 (4) Vehicles issued an economic hardship extension in
26 the previous biennial inspection of the vehicle.

27 (h) The department shall provide a sufficient number
28 of test-only facilities authorized to perform referee
29 functions to provide convenient testing for those vehicles
30 that are required to report to, and receive a certificate of
31 compliance from, a test-only facility by this chapter,
32 including all of the following:

33 (1) All vehicles seeking to utilize state-operated
34 financial assistance or inclusion in authorized scrap
35 programs.

36 (2) All vehicles unable to obtain a certificate of
37 compliance from a licensed smog check station pursuant
38 to subdivision (c) of Section 44015.

39 (3) Any other vehicles that may be designated by the
40 department.



1 (i) ~~(1)~~ Gross polluters shall be referred to a test-only
2 facility, or a test-and-repair station that is both licensed
3 and certified pursuant to Sections 44014 and 44014.2 and
4 is participating in the pilot program pursuant to
5 subparagraph (B) of paragraph ~~(3)~~ (2) of subdivision (g),
6 for a postrepair inspection and retest pursuant to
7 subdivision (g). Simply passing the emissions test shall not
8 be a sufficient condition for receiving a certificate of
9 compliance. A certificate of compliance shall only be
10 issued to a vehicle that does not have any defects with its
11 emission control system or any defects that could lead to
12 damage of its emission control system, as provided in
13 regulations adopted by the department.

14 ~~(2) The department shall require all vehicles that are~~
15 ~~tested pursuant to this chapter and found to have been~~
16 ~~tampered with to be tested annually at a test-only facility~~
17 ~~for at least two, but not more than five, consecutive years,~~
18 ~~as the department determines to be necessary to ensure~~
19 ~~that the program will comply with Environmental~~
20 ~~Protection Agency performance standards.~~

21 ~~SEC. 4. Section 44015.1 is added to the Health and~~
22 ~~Safety Code, to read:~~

23 ~~44015.1. Notwithstanding subdivision (d) of Section~~
24 ~~44015, the bureau shall issue repair cost waivers to owners~~
25 ~~of gross polluters who cannot repair their vehicles within~~
26 ~~the applicable cost limit prescribed in subdivision (a) or~~
27 ~~(b) of Section 44017, until a low-income car-owner~~
28 ~~assistance program has been enacted by the Legislature~~
29 ~~and is in effect.~~

30 ~~SEC. 5.—~~

31 ~~SEC. 9. Section 44015 of the Health and Safety Code~~
32 ~~is amended to read:~~

33 44015. (a) A licensed smog check station shall not
34 issue a certificate of compliance, except as authorized by
35 this chapter, to any vehicle that meets the following
36 criteria:

37 (1) A vehicle that has been tampered with.

38 (2) A vehicle that, prior to repairs, has been initially
39 identified by the smog check station as a gross polluter.
40 Certification of a gross polluting vehicle shall be



1 conducted by a designated test-only facility, or a
2 test-and-repair station that is both licensed and certified
3 pursuant to Section 44014 and 44014.2 and is participating
4 in the pilot program pursuant to subparagraph (B) of
5 paragraph (3) of subdivision (g) of Section 44014.5.

6 (3) A vehicle described in subdivision (c).

7 ~~(4) A vehicle that was issued an economic hardship~~
8 ~~extension within the last 12 months.~~

9 (b) If a vehicle meets the requirements of Section
10 44012, a smog check station licensed to issue certificates
11 shall issue a certificate of compliance or a certificate of
12 noncompliance.

13 (c) (1) ~~An emission~~ A *repair* cost waiver shall be
14 issued, *upon request*, by a test-only facility authorized to
15 perform referee functions for a vehicle ~~which~~ *that* has
16 been properly tested but does not meet the applicable
17 emission standards when it is determined that no
18 adjustment or repair can be made that will reduce
19 emissions from the inspected motor vehicle without
20 exceeding the applicable *repair* cost limit established
21 under Section 44017 and that every defect specified by
22 paragraph (2) of subdivision (a) of Section 43204, and by
23 paragraphs (2) and (3) of subdivision (a) of Section
24 43205, has been corrected. ~~An emission~~ A *repair* cost
25 waiver issued pursuant to this paragraph shall be
26 accepted in lieu of a certificate of compliance for the
27 purposes of compliance with Section 4000.3 of the Vehicle
28 Code. No ~~emission~~ *repair* cost waiver shall be issued until
29 there has been an actual expenditure by the vehicle
30 owner of an amount at least equal to the applicable repair
31 cost limit specified in Section 44017.

32 ~~(2) If the department implements an economic~~
33 ~~hardship extension program, a one-time economic~~
34 ~~hardship extension, valid for 12 months, may be issued~~
35 ~~pursuant to subdivision (c) of Section 44017, upon the~~
36 ~~request of the~~ A *low-income repair cost waiver shall be*
37 *issued, upon the request of a qualified low-income motor*
38 *vehicle owner, by a test-only facility authorized to*
39 *perform referee functions for a vehicle which that* has
40 been properly tested but does not meet the applicable



1 emission standards when it is determined that no
2 adjustment or repair can be made that will reduce
3 emissions from the inspected motor vehicle without
4 exceeding the applicable ~~emission repair cost~~ limit, as
5 established by ~~the department paragraph (2) of~~
6 ~~subdivision (a) of Section 44017~~, and that every defect
7 specified in paragraph (2) of subdivision (a) of Section
8 43204, and in paragraphs (2) and (3) of subdivision (a) of
9 Section 43205, has been corrected.

10 (d) No ~~emission repair~~ cost waiver shall be issued
11 under any of the following circumstances:

12 (1) If a vehicle was issued ~~an emission a repair~~ cost
13 waiver ~~or economic hardship extension~~ in the previous
14 biennial inspection of that vehicle.

15 (2) ~~If a vehicle is designated as a gross polluter~~
16 ~~pursuant to this chapter, except as otherwise provided in~~
17 ~~this subdivision or Section 44017.~~

18 (3) ~~Upon initial registration of all of the following: a~~
19 ~~direct import vehicle, a vehicle previously registered~~
20 ~~outside this state, a dismantled vehicle pursuant to~~
21 ~~Section 11519 of the Vehicle Code, a vehicle that has had~~
22 ~~an engine change, an alternate fuel vehicle, and a~~
23 ~~specially constructed vehicle.~~

24 (e) A certificate of compliance or noncompliance shall
25 be valid for 90 days.

26 (f) A test may be made at any time within 90 days prior
27 to the date otherwise required.

28 (g) ~~An economic hardship extension shall not be~~
29 ~~issued to a vehicle that was issued an emission cost waiver~~
30 ~~in the previous biennial inspection of that vehicle.~~

31 *SEC. 10. Section 44015.3 of the Health and Safety*
32 *Code is repealed.*

33 ~~44015.3. (a) The department may develop and~~
34 ~~implement the economic hardship extension program~~
35 ~~specified in paragraph (2) of subdivision (e) of Section~~
36 ~~44015 and subdivision (e) of Section 44017. That program~~
37 ~~shall not become operative until the department issues a~~
38 ~~public notice declaring that the program established~~
39 ~~pursuant to Section 44010.5 is operational in the relevant~~
40 ~~geographical areas of the state or until the date that~~



1 ~~testing in those geographic areas is operative using~~
2 ~~loaded mode test equipment, as defined in this article,~~
3 ~~whichever occurs first.~~

4 ~~(b) The department shall administer the economic~~
5 ~~hardship extension program in accordance with~~
6 ~~regulations adopted by the department.~~

7 *SEC. 11. Section 44017 of the Health and Safety Code*
8 *is amended to read:*

9 44017. (a) Except as otherwise provided in this
10 section *or Section 44017.1*, the cost limit for repairs under
11 the program, including parts and labor, shall be a
12 minimum of four hundred fifty dollars (\$450) in all areas
13 where the program operates.

14 ~~(b) The limit established pursuant to subdivision (a)~~
15 ~~shall not become operative until the department issues a~~
16 ~~public notice declaring that the program established~~
17 ~~pursuant to Section 44010.5 is operational in the relevant~~
18 ~~geographical areas of the state, or until the date that~~
19 ~~testing in those geographic areas is operative using loaded~~
20 ~~mode test equipment, as defined in this article,~~
21 ~~whichever occurs first. Prior to that time, the following~~
22 ~~cost limits shall remain in effect:~~

23 ~~(1) For motor vehicles of 1971 and earlier model years,~~
24 ~~fifty dollars (\$50).~~

25 ~~(2) For motor vehicles of 1972 to 1974, inclusive, model~~
26 ~~years, ninety dollars (\$90).~~

27 ~~(3) For motor vehicles of 1975 to 1979, inclusive, model~~
28 ~~years, one hundred twenty-five dollars (\$125).~~

29 ~~(4) For motor vehicles of 1980 to 1989, inclusive, model~~
30 ~~years, one hundred seventy-five dollars (\$175).~~

31 ~~(5) For motor vehicles of 1990 and later model years,~~
32 ~~three hundred dollars (\$300).~~

33 ~~(e) The department shall periodically revise the~~
34 ~~repair cost limits specified in subdivisions subdivision (a)~~
35 ~~and (b) in accordance with changes in the Consumer~~
36 ~~Price Index, as published by the United States Bureau of~~
37 ~~Labor Statistics.~~

38 ~~(d)~~
39 (c) No *repair* cost limit shall be imposed in those cases
40 where emissions control equipment is missing or is



1 partially or totally inoperative as a result of being
2 tampered with or when the vehicle has been identified as
3 a gross polluter pursuant to Section 44081 and verified as
4 a gross polluter at a test-only station. The cost limits
5 prescribed pursuant to this section, when implemented,
6 shall not be imposed on vehicles identified as gross
7 polluters prior to repairs at a smog check station.
8 However, if there is no evidence of tampering and the
9 vehicle owner has had repairs performed as necessary to
10 bring the vehicle's emissions below the appropriate
11 threshold established for gross polluters, the emission cost
12 waiver provisions shall apply.

13 (e) A ~~one-time 12-month economic hardship~~
14 ~~extension from the biennial certificate of compliance~~
15 ~~requirement may be granted, pursuant to the program~~
16 ~~established by the department pursuant to Section~~
17 ~~44015.3, to consumers who would be subject to repair~~
18 ~~costs in excess of the limit established by the department~~
19 ~~if the requirements specified in paragraph (2) of~~
20 ~~subdivision (c) of Section 44015 are met. The economic~~
21 ~~hardship extension shall constitute neither a certificate of~~
22 ~~compliance nor a certificate of noncompliance for the~~
23 ~~purpose of transferring the ownership or the registration~~
24 ~~of the vehicle. On or before the expiration date of the~~
25 ~~economic hardship extension, the vehicle shall be~~
26 ~~brought fully into compliance with all appropriate~~
27 ~~emission standards as determined by a test in accordance~~
28 ~~with Section 44012 at a test-only station. The emission cost~~
29 ~~waiver provisions shall not apply to those vehicles. A~~
30 *repair cost waiver may be issued to a motor vehicle owner*
31 *only once for a particular motor vehicle belonging to that*
32 *owner. No waiver may exceed two years duration.*

33 (d) *Notwithstanding paragraph (1) of subdivision (d)*
34 *of Section 44015, the waivers specified in subdivision (a)*
35 *may be issued for motor vehicles that participated in*
36 *earlier waiver or extension programs prior to January 1,*
37 *1998, as determined by the department. For waivers*
38 *issued in the waiver program operative on or after*
39 *January 1, 1998, a waiver may be issued for a motor*



1 vehicle only once per owner, and shall not exceed two
2 years.

3 SEC. 12. Section 44017.1 is added to the Health and
4 Safety Code, to read:

5 44017.1. (a) Notwithstanding subdivision (a) of
6 Section 44017, for motor vehicle owners qualified as low
7 income under Section 44062.1, the repair cost limit,
8 including parts and labor, shall be a minimum of two
9 hundred fifty dollars (\$250) in all areas where the
10 program operates.

11 (b) This section shall remain in effect only until
12 January 1, 2000, and as of that date is repealed, unless a
13 later enacted statute, that is enacted before January 1,
14 2000, deletes or extends that date.

15 SEC. 13. Section 44024.5 is added to the Health and
16 Safety Code, to read:

17 44024.5. (a) The department shall compile and
18 maintain statistical and emissions profiles of motor
19 vehicles that are subject to the motor vehicle inspection
20 program. The department may use data from any source,
21 including remote sensing data and other motor vehicle
22 inspection program data, to develop and confirm the
23 validity of the profiles.

24 (b) The department, in cooperation with the state
25 board, shall perform periodic analyses of the statistical
26 and emissions profiles created pursuant to subdivision
27 (a). The department and state board may jointly
28 determine that, in addition to the vehicles excepted
29 pursuant to Section 44011, certain other motor vehicles
30 may be excepted from the biennial certification
31 requirements of this chapter without significantly
32 compromising the emission reduction objectives set forth
33 in the State Implementation Plan (SIP).

34 (c) The department may conduct a pilot program to
35 except from the biennial certification requirement those
36 vehicles that may be jointly determined by the
37 department and the state board to warrant exception.
38 The department shall submit the results of the pilot
39 program to the state board for review. Subject to the
40 approval of the Environmental Protection Agency as an



1 amendment to the SIP, the department may establish the
2 exception program as a permanent program.

3 (d) For vehicles four model years old or less, the
4 department shall use test data generated pursuant to
5 Section 44014.7 to develop statistical and emissions
6 profiles. The department may use data from any source,
7 including remote sensing data, warranty repair and recall
8 data, and other motor vehicle inspection program data,
9 to develop and confirm the validity of the data. If the
10 department and state board jointly determine that the
11 emissions from a class of motor vehicles would potentially
12 compromise the emission reduction objectives set forth in
13 the SIP, the state board shall consider appropriate
14 corrective action, including, but not limited to, recall
15 pursuant to Section 43105.

16 SEC. 14. Section 44036 of the Health and Safety Code
17 is amended to read:

18 44036. (a) The consumer protection-oriented quality
19 assurance portion of the motor vehicle inspection
20 program shall ensure uniform and consistent tests and
21 repairs by all qualified smog check technicians and
22 licensed smog check stations throughout the state, and
23 shall include a number of stations providing referee
24 functions available to consumers.

25 (b) All licensed smog check stations shall utilize
26 original equipment and replacement parts that are
27 certified by the department. The department shall
28 charge a fee for certification testing of the equipment or
29 the replacement parts. The fee for certification testing of
30 equipment shall be fixed by the department based upon
31 its actual costs of certification testing, shall be calculated
32 from the time that the equipment is submitted for
33 certification testing until the time that the certification
34 testing is complete, and shall ~~in no event~~ not exceed ten
35 thousand dollars (\$10,000). The fee for certification
36 testing of replacement parts shall be ~~fixed~~ determined by
37 the department based upon its actual costs of certification
38 testing, shall be calculated from the time that the
39 replacement part is submitted for certification testing
40 until the time that the certification testing is complete,



1 and shall ~~in no event~~ *not* exceed two thousand five
2 hundred dollars (\$2,500). The department shall adopt,
3 and may ~~from time to time~~ revise, standards for
4 certification and decertification of the equipment, which
5 may include a device for testing of emissions of oxides of
6 nitrogen. As expeditiously as possible, the department
7 shall adopt equipment standards ~~which shall~~ *that* include
8 a test analyzer system containing all of the following:

9 (1) A microprocessor to control test sequencing,
10 selection of proper test standards, the automatic pass or
11 fail decision, and the format for the test report and the
12 recorded data file. The microprocessor shall be capable of
13 using a standardized programming language specified by
14 the department.

15 (2) An exhaust gas analysis portion with an analyzer
16 for hydrocarbons, carbon monoxide, and carbon dioxide
17 ~~which~~ *that* is designed to accommodate an optional oxides
18 of nitrogen analyzer. An oxides of nitrogen analyzer shall
19 be required in the enhanced program areas.

20 (3) Equipment necessary to perform visual and
21 functional tests of emission control devices required by
22 the department.

23 (4) A device to accept and record motor vehicle
24 identification information, including a device capable of
25 reading bar code information pursuant to regulations of
26 the state board. The device shall have the ability to
27 identify, with the cooperation of the Department of
28 Motor Vehicles, smog inspections performed on vehicles
29 sold by used car dealers.

30 (5) A device to provide a printed record of the test
31 process and diagnostic information for the motorist.

32 (6) A mass storage device capable of storing not less
33 than the minimum amount of program software and data
34 specified by the department.

35 (7) A device to provide for the periodic modification
36 of all program and data files contained on the mass
37 storage device, using a standardized form of removable
38 media conforming to specifications of the department.



1 (8) A device ~~which~~ *that* provides for the storage of test
2 records on a standardized form of removable media
3 conforming to specifications of the department.

4 (9) One or more communications ports conforming to
5 the specifications established by the department as
6 necessary to provide real time communication, or
7 communication ~~which~~ *that* is consistent with maintaining
8 a superior quality assurance program and efficient
9 information transfer, between the test equipment and
10 the centralized computer data base through the
11 computer network maintained by the department
12 pursuant to Section 44037.1.

13 (10) An interface capable of monitoring equipment
14 used with loaded mode testing, idle testing, on board
15 diagnostic testing, or other tests prescribed by the
16 department.

17 (11) Any other features that the department
18 determines are necessary to increase the effectiveness of
19 the program, including, but not limited to, a loaded mode
20 dynamometer for purposes of oxides of nitrogen
21 detection, and other equipment necessary to detect
22 nonexhaust-related volatile organic compound emissions,
23 such as found in fuel system evaporative emissions and
24 crankcase ventilation emissions.

25 (c) The department shall require all smog check
26 stations to use equipment meeting the requirements of
27 subdivision (b) as soon as possible, but not later than
28 January 1, 1996. However, the department may defer the
29 requirement for any equipment, external to the chassis of
30 the test analyzer system, needed to read bar code
31 information, until a substantial portion of the vehicles
32 subject to this chapter are equipped with bar code labels.
33 Prior to the imposition of a requirement for equipment
34 meeting the requirements of subdivision (b), every smog
35 check station shall use equipment meeting the
36 specifications of the department in effect on January 1,
37 1988.

38 (d) The quality assurance portion shall provide for
39 inspections of licensed smog check stations, data
40 collection and forwarding, equipment accuracy checks,



1 operation of referee stations, and other necessary
2 functions. ~~In contracting for~~ *If the services are contracted*
3 *for* pursuant to subdivision (e) of Section 44014, the
4 department shall prepare detailed specifications and
5 solicit bids from private entities for the implementation
6 of the quality assurance functions.

7 (e) The department may revise the specifications for
8 equipment annually if the cost thereof is less than 20
9 percent of the total system cost. A more comprehensive
10 revision to the specifications may be required not more
11 often than every five years.

12 (f) (1) Equipment manufacturers shall furnish to the
13 department, and shall install, software updates as
14 specified by the department. The department shall allow
15 equipment manufacturers six months, from the date the
16 department issues its proposed specifications for periodic
17 software updates, to obtain department approval that the
18 updates meet the proposed specifications and to install
19 the updates in all equipment subject to the updates.
20 During the first 30 days of the six-month period, the
21 manufacturers shall be permitted to review and to
22 comment upon the proposed specifications. However,
23 notwithstanding any other provision of this section, the
24 department may order manufacturers to install software
25 changes in a shorter period of time upon a finding by the
26 department that a previously installed update does not
27 meet current specifications. A manufacturer's failure to
28 furnish or install software updates as so specified is cause
29 for the department to decertify the manufacturer's test
30 analyzer system or to issue a citation to the manufacturer.
31 The citation shall specify the nature of the violation and
32 may specify a civil penalty not to exceed one thousand
33 dollars (\$1,000) for each day the manufacturer fails to
34 furnish or install the specified software updates by the
35 specified period. In assessing a civil penalty pursuant to
36 this subdivision, the department shall give due
37 consideration, in determining the appropriateness of the
38 amount of the civil penalty, to factors such as the gravity
39 of the violation, the good faith of the manufacturer, and
40 the history of previous violations.



1 (2) The citations shall be served pursuant to
2 subdivision (c) of Section 11505 of the Government Code.
3 The manufacturer may request a hearing in accordance
4 with Chapter 5 (commencing with Section 11500) of Part
5 1 of Division 3 of Title 2 of the Government Code. A
6 request for a hearing shall be submitted in writing within
7 30 days of service of the citation, and shall be delivered to
8 the office of the department in Sacramento. Hearings and
9 related procedures under this subdivision shall be
10 conducted in the same manner as proceedings for
11 adjudication of an accusation under that Chapter 5,
12 except as otherwise specified in this article.

13 (3) If within 30 days from *the date of* service of the
14 citation, the manufacturer fails to request a hearing, the
15 citation shall be deemed the final order of the
16 department.

17 (4) Any failure to comply with the final order of the
18 department for payment of a civil penalty, or to pay the
19 amount specified in any settlement executed by the
20 licensee and the Director of Consumer Affairs, is cause for
21 decertification of the manufacturer's test analyzer
22 system.

23 *SEC. 15. Section 44040 of the Health and Safety Code*
24 *is amended to read:*

25 44040. The department may require certificates of
26 compliance, certificates of noncompliance, ~~emission-cost~~
27 ~~waivers, and an economic hardship extension and repair~~
28 ~~cost waivers~~ to contain a unique number encoded in bar
29 code. These certificates may be sold to licensed smog
30 check stations by the department, printed by test
31 analyzer systems, or transmitted by electronic means.
32 The department, with the cooperation of the
33 Department of Motor Vehicles, shall periodically check
34 certificates to determine their validity.

35 *SEC. 16. Section 17053.75 is added to the Revenue and*
36 *Taxation Code, to read:*

37 17053.75. (a) For each taxable year beginning on or
38 after January 1, 1997, there shall be allowed as a credit
39 against the "net tax," as defined in Section 17039, an
40 amount equal to 50 percent of the amount paid or



1 incurred during the taxable year for the cost of repairing
 2 a motor vehicle ~~that is a gross polluter, as defined in~~
 3 ~~Section 39032.5 of the Health and Safety Code, in excess~~
 4 of the applicable amount prescribed in subdivision (a) ~~or~~
 5 ~~(b)~~ of Section 44017 of the Health and Safety Code,
 6 necessary to bring the vehicle into compliance with
 7 applicable emission standards.

8 (b) In the case where the credit allowed by this section
 9 exceeds the “net tax,” the excess may be carried over to
 10 reduce the “net tax” in the following year, and
 11 succeeding years if necessary, until the credit is
 12 exhausted.

13 ~~SEC. 6.—~~

14 ~~(c) The credit provided by this section may be used~~
 15 ~~only once.~~

16 *SEC. 17.* Section 17053.76 is added to the Revenue and
 17 Taxation Code, to read:

18 17053.76. (a) For each taxable year beginning on or
 19 after January 1, 1998, there shall be allowed as a credit
 20 against the “net tax,” as defined in Section 17039, an
 21 amount equal to 25 percent of the amount paid or
 22 incurred *in excess of ten thousand dollars (\$10,000)*
 23 during the taxable year for the purchase by the owner of
 24 a smog check station of equipment necessary to *conduct*
 25 *loaded mode testing* to comply with Chapter 5
 26 (commencing with Section 44000) of Part 5 of Division 26
 27 of the Health and Safety Code.

28 (b) In the case where the credit allowed by this section
 29 exceeds the “net tax,” the excess may be carried over to
 30 reduce the “net tax” in the following year, and
 31 succeeding years if necessary, until the credit is
 32 exhausted.

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

37 ~~SEC. 7.~~

38 *SEC. 18.* Section 23650 is added to the Revenue and
 39 Taxation Code, to read:



1 23650. (a) For each income year beginning on or
2 after January 1, 1998, there shall be allowed as a credit
3 against the “tax,” as defined in Section 23036, an amount
4 equal to 25 percent of the amount paid or incurred *in*
5 *excess of ten thousand dollars (\$10,000)* during the
6 income year for the purchase by the owner of a smog
7 check station of equipment necessary to *conduct loaded*
8 *mode testing* to comply with Chapter 5 (commencing
9 with Section 44000) of Part 5 of Division 26 of the Health
10 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 ~~(c) 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 district 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 25 or more model years old.~~

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.~~

2 ~~SEC. 19.~~ Section 4000.7 of the Vehicle Code is
3 repealed.

4 ~~SEC. 10.~~ The Department of Consumer Affairs shall
5 do all of the following:

6 ~~(a) Recommend to the Legislature, not later than July~~
7 ~~1, 1998, a program to assist low-income car owners in~~
8 ~~meeting their Smog Check II obligations.~~

9 ~~(b) Recommend to the Legislature a program to~~
10 ~~defray the cost of new equipment purchases necessary for~~
11 ~~smog check station owners to meet the requirements of~~
12 ~~Smog Check II, including, but not limited to,~~
13 ~~dynamometers.~~

14 ~~(c) Provide to the Legislature a study showing the~~
15 ~~correlation between gross polluters that fail the smog test~~
16 ~~because of hydrocarbon emissions and gross polluters that~~
17 ~~fail the test for nitrous oxide emissions.~~

18 ~~(d) Develop and transmit to the Legislature a white~~
19 ~~paper on the future of the smog check program after~~
20 ~~2005, addressing which techniques and technologies will~~
21 ~~likely be available for emissions testing, and discussing the~~
22 ~~advantages and disadvantages of each.~~

23 ~~SEC. 20. (a) It is the intent of the Legislature to~~
24 ~~replace the existing vehicle inspection and maintenance~~
25 ~~program in Chapter 5 (commencing with Section 44000)~~
26 ~~of Part 5 of Division 26 of the Health and Safety Code, on~~
27 ~~or before January 1, 2005.~~

28 ~~(b) On or before January 1, 2003, the State Air~~
29 ~~Resource Board shall design a new proposed program to~~
30 ~~replace the existing vehicle inspection and maintenance~~
31 ~~program and submit to the Legislature a report on that~~
32 ~~new program.~~

33 ~~SEC. 21. No reimbursement is required by this act~~
34 ~~pursuant to Section 6 of Article XIII B of the California~~
35 ~~Constitution because the only costs that may be incurred~~
36 ~~by a local agency or school district will be incurred~~
37 ~~because this act creates a new crime or infraction,~~
38 ~~eliminates a crime or infraction, or changes the penalty~~
39 ~~for a crime or infraction, within the meaning of Section~~
40 ~~17556 of the Government Code, or changes the definition~~



1 *of a crime within the meaning of Section 6 of Article*
2 *XIII B of the California Constitution.*
3 *Notwithstanding Section 17580 of the Government*
4 *Code, unless otherwise specified, the provisions of this act*
5 *shall become operative on the same date that the act*
6 *takes effect pursuant to the California Constitution.*

O

