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House Engrossed Senate Bill

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

SENATE BILL 1177

AN ACT

AMENDING SECTION 49-542.05, ARIZONA REVISED STATUTES; AMENDING SECTION 49-551, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 241, SECTION 31 AND CHAPTER 260, SECTION 17; REPEALING SECTION 49-551, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 296, SECTION 5; REPEALING TITLE 49, CHAPTER 3, ARTICLE 6, ARIZONA REVISED STATUTES; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 49-542.05, Arizona Revised Statutes, is amended to
3 read:

4 49-542.05. Alternative fuel vehicles

5 A. EXCEPT FOR A VEHICLE FUELED BY HYDROGEN, THE FOLLOWING APPLY:

6 1. EACH ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL VEHICLE THAT
7 IS REGISTERED IN OR USED TO COMMUTE INTO AREA A OR AREA B PURSUANT TO SECTION
8 49-542, SUBSECTION A IS SUBJECT TO THE EMISSIONS INSPECTION REQUIREMENTS
9 PRESCRIBED IN THIS ARTICLE INCLUDING SUBSECTION C OF THIS SECTION.

10 2. Each alternative fuel vehicle, ~~except for vehicles fueled by~~
11 ~~hydrogen, as defined in section 43-1086~~ THAT IS NOT AN ORIGINAL EQUIPMENT
12 MANUFACTURED ALTERNATIVE FUEL VEHICLE AND that is registered in or used to
13 commute into area A or area B pursuant to section 49-542, subsection A is
14 subject to the emissions inspection requirements prescribed in this article
15 and EXCEPT THAT THE PROVISIONS OF SECTION 49-543, SUBSECTION B DO NOT APPLY.

16 B. EXCEPT FOR A VEHICLE FUELED BY HYDROGEN, FOR EACH VEHICLE THAT IS
17 REGISTERED IN OR USED TO COMMUTE INTO AREA A OR AREA B AS PRESCRIBED BY
18 SECTION 49-542, SUBSECTION A AND THAT IS EITHER AN ORIGINAL EQUIPMENT
19 MANUFACTURED ALTERNATIVE FUEL VEHICLE OR AN ALTERNATIVE FUEL VEHICLE THAT IS
20 NOT AN ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL VEHICLE, THE VEHICLE
21 shall be tested before the vehicle is registered in this state as an
22 alternative fuel vehicle both while operating on gasoline and while operating
23 on alternative fuel, if applicable. In THE FOURTH REGISTRATION YEAR AND IN
24 subsequent years, the vehicle shall be tested both while operating on
25 gasoline and while operating on alternative fuel, if applicable, pursuant to
26 the requirements of section 49-542.

27 C. FOR ALL EMISSIONS INSPECTIONS BEFORE THE FOURTH REGISTRATION YEAR
28 AFTER PURCHASE OR LEASE OF A NEW ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE
29 FUEL VEHICLE, THE OWNER OF THE VEHICLE SHALL DO ONE OF THE FOLLOWING:

30 1. HAVE THE VEHICLE INSPECTED PURSUANT TO THIS ARTICLE.

31 2. PAY A TWENTY-FIVE DOLLAR FEE IN AREA A AND A NINE DOLLAR FEE IN
32 AREA B. THE OWNER SHALL PAY THIS FEE TOGETHER WITH THE REGISTRATION FEE FOR
33 THE VEHICLE TO THE REGISTERING OFFICER. THE REGISTERING OFFICER SHALL
34 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, THESE FEES IN THE AIR
35 QUALITY FUND ESTABLISHED BY SECTION 49-551. THE REGISTERING OFFICER MAY
36 ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH ANOTHER DEPARTMENT OF THIS
37 STATE TO COLLECT AND DEPOSIT THE FEE. AN OWNER WHO CHOOSES TO HAVE AN
38 EMISSIONS INSPECTION PURSUANT TO THIS ARTICLE IS NOT REQUIRED TO PAY THE FEE
39 PRESCRIBED IN THIS PARAGRAPH FOR THAT EMISSIONS TEST CYCLE.

40 D. THE REGISTRATION RENEWAL NOTICE REQUIRED FOR THE SECOND AND THIRD
41 REGISTRATION YEAR OF A NEW ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL
42 VEHICLE SHALL INCLUDE A NOTICE TO THE VEHICLE OWNER THAT EVEN THOUGH AN
43 EMISSIONS INSPECTION TEST IS NOT REQUIRED PURSUANT TO SUBSECTION B OF THIS
44 SECTION THE OWNER MAY CHOOSE TO HAVE AN EMISSIONS INSPECTION BECAUSE OF

1 VEHICLE EMISSIONS PERFORMANCE WARRANTY LIMITATIONS ON EMISSIONS COMPONENTS OF
2 THE VEHICLE.

3 ~~B-~~ E. The department of environmental quality shall compile and
4 maintain data regarding the results of emissions inspections of all
5 alternative fuel vehicles pursuant to this article.

6 Sec. 2. Section 49-551, Arizona Revised Statutes, as amended by Laws
7 2002, chapter 241, section 31 and chapter 260, section 17, is amended to
8 read:

9 49-551. Air quality fee; air quality fund; purpose

10 A. Every person who is required to register a motor vehicle in this
11 state pursuant to section 28-2153 shall pay, in addition to the registration
12 fee, an annual air quality fee at the time of vehicle registration of one
13 dollar fifty cents. Unless and until the United States environmental
14 protection agency grants a waiver for diesel fuel pursuant to section
15 211(c)(4) of the clean air act, every person who is required to register a
16 diesel powered motor vehicle in this state with a declared gross weight as
17 defined in section 28-5431 of more than eight thousand five hundred pounds
18 and every person who is subject to an apportioned fee for diesel powered
19 motor vehicles collected pursuant to title 28, chapter 7, articles 7 and 8
20 shall pay an additional apportioned diesel fee of ten dollars.

21 B. The registering officer shall collect the fees and immediately
22 deposit, pursuant to sections 35-146 and 35-147, the air quality fees in the
23 air quality fund established pursuant to subsection C of this section and
24 shall deposit the diesel fees in the voluntary vehicle repair and retrofit
25 program fund established pursuant to section 49-474.03.

26 C. An air quality fund is established consisting of monies received
27 pursuant to this section, SECTION 49-542.05, SECTION 49-543, gifts, grants
28 and donations, and monies appropriated by the legislature. The department of
29 environmental quality shall administer the fund. ~~Monies appropriated for~~
30 ~~purposes prescribed by paragraph 5 of this subsection and gifts, grants and~~
31 ~~donations designated for purposes prescribed by paragraph 5 of this~~
32 ~~subsection shall be accounted for in one separate account within the fund.~~
33 MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
34 TO THE LAPSING OF APPROPRIATIONS. INTEREST EARNED ON MONIES IN THE FUND
35 SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND THAT ARE RECEIVED PURSUANT
36 TO SECTION 49-543 SHALL BE PLACED IN A SEPARATE ACCOUNT AND SHALL ONLY BE
37 USED FOR THOSE PURPOSES THAT ARE PRESCRIBED IN SUBSECTION F OF THIS SECTION
38 OR SECTION 49-551.01. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION,
39 monies in the air quality fund shall be used, subject to legislative
40 appropriation, for:

41 1. Air quality research, experiments and programs conducted by or for
42 the department for the purpose of bringing area A or area B into OR
43 MAINTAINING AREA A OR AREA B IN attainment status, improving air quality in
44 areas of this state outside area A or area B and reducing ~~levels of~~
45 ~~particulate and ozone pollution both inside and outside of vehicle emissions~~

1 ~~control areas of this state~~ EMISSIONS OF PARTICULATE MATTER, CARBON MONOXIDE,
2 OXIDES OF NITROGEN, VOLATILE ORGANIC COMPOUNDS AND HAZARDOUS AIR POLLUTANTS
3 THROUGHOUT THE STATE.

4 2. ~~Determining the cause of visual~~ MONITORING VISIBLE AIR POLLUTION
5 AND DEVELOPING AND IMPLEMENTING PROGRAMS TO REDUCE EMISSIONS OF POLLUTANTS
6 THAT CONTRIBUTE TO VISIBLE air pollution in counties with a population of
7 four hundred thousand persons or more.

8 3. ~~Conducting the hazardous air pollutants research program and~~
9 ~~preparing the report as prescribed by section 49-426.08.~~

10 4. 3. Developing and adopting rules in compliance with sections
11 49-426.03, 49-426.04, 49-426.05 and 49-426.06.

12 5. ~~Conducting a public education program to reduce emissions of ozone~~
13 ~~forming substances in cooperation with Maricopa county and other affected~~
14 ~~parties, including private industries. To the extent possible, this program~~
15 ~~shall be coordinated with other public and private efforts to increase public~~
16 ~~awareness of air quality issues. In addition, the department shall~~
17 ~~accelerate pollution prevention technical assistance efforts pursuant to~~
18 ~~section 49-965, subsection A, paragraph 6. The department shall identify~~
19 ~~sources that emit ozone forming substances and shall establish a~~
20 ~~clearinghouse for information on the supply of products that may be used to~~
21 ~~substitute for substances that contribute to ozone formation.~~

22 D. ~~No disbursement or expenditure of monies in the air quality fund~~
23 ~~may be made for any purposes other than those set forth in subsections C, E~~
24 ~~and G of this section.~~

25 E. D. The department of ~~environmental quality~~ shall transfer four
26 hundred thousand dollars from the air quality fund to the department of
27 administration for the purposes prescribed by section 49-588 in eight
28 installments in each of the first eight months of a fiscal year.

29 F. E. This section does not apply to an electrically powered golf
30 cart or an electrically powered vehicle.

31 G. ~~Monies in the fund do not revert to the general fund. The~~
32 ~~department may make grants to a regional planning agency, county, city or~~
33 ~~town located within a vehicle emissions control area or areas which have~~
34 ~~achieved maintenance status for the purpose of air quality research or~~
35 ~~implementation of programs designed to accomplish the purposes of this~~
36 ~~section.~~

37 F. THE DISBURSEMENT OF MONIES FOR AIR QUALITY CONTROL PROGRAMS AND
38 MEASURES FROM THE MONIES RECEIVED PURSUANT TO SECTION 49-543 SHALL BE
39 PURSUANT TO THIS SUBSECTION. THE MONIES SHALL BE USED FOR PROGRAMS AND
40 MEASURES IN COUNTIES THAT CONTAIN A PORTION OF AREA A OR AREA B. THE
41 DEPARTMENT MAY USE UP TO FIVE PER CENT OF THE ANNUAL REVENUES FOR THE COSTS
42 OF ADMINISTRATION. THE BALANCE SHALL BE USED FOR FUNDING THE FOLLOWING:

43 1. A VOLUNTARY LAWN AND GARDEN EQUIPMENT EMISSIONS REDUCTION PROGRAM
44 ESTABLISHED PURSUANT TO SECTION 49-474.02. FIVE PER CENT OF THE MONIES SHALL
45 BE USED FOR THIS PURPOSE.

1 2. A VOLUNTARY VEHICLE REPAIR AND RETROFIT PROGRAM ESTABLISHED
2 PURSUANT TO SECTION 49-474.03. FIFTEEN PER CENT OF THE MONIES SHALL BE USED
3 FOR THIS PURPOSE.

4 3. THE DIESEL VEHICLE LOW EMISSIONS INCENTIVE GRANT PROGRAM
5 ESTABLISHED BY SECTION 49-551.01. THIRTY PER CENT OF THE MONIES SHALL BE
6 USED FOR THIS PURPOSE. GRANTS FOR FUELS SHALL NOT EXCEED THE INCREMENTAL
7 COST DIFFERENTIAL FROM CONVENTIONAL DIESEL FUEL, EXCLUDING TAXES.

8 4. THE VOLUNTARY ACCELERATED PURCHASE OF TIER 2 AND TIER 3 EQUIPMENT
9 DESCRIBED IN SECTION 49-558. GRANT FUNDING SHALL NOT EXCEED ONE-HALF OF THE
10 INCREMENTAL COST DIFFERENCE BETWEEN THE INITIAL CAPITAL COST OF TIER 2 AND
11 TIER 3 EQUIPMENT AND CONVENTIONAL DIESEL EQUIPMENT. TEN PER CENT OF THE
12 MONIES SHALL BE USED FOR THIS PURPOSE.

13 5. FIFTEEN PER CENT FOR MAKING GRANTS TO FUND THE FOLLOWING
14 ACTIVITIES:

15 (a) A TRAVEL REDUCTION ORDINANCE PROGRAM.

16 (b) A VOLUNTARY NO DRIVE DAY PROGRAM.

17 6. ANY OTHER MEASURES OR PROGRAMS THAT HAVE BEEN EVALUATED BY THE
18 DEPARTMENT. THE EVALUATION SHALL INCLUDE AT LEAST A REVIEW AND ASSESSMENT OF
19 THE HEALTH AND ENVIRONMENTAL IMPACTS OF THE MEASURES OR PROGRAMS. THE
20 DEPARTMENT MAY EVALUATE MEASURES OR PROGRAMS ADOPTED BY OTHER JURISDICTIONS.
21 TWENTY-FIVE PER CENT OF THE MONIES SHALL BE USED FOR THIS PURPOSE. THE
22 DEPARTMENT MAY MAKE GRANTS FOR THE PURPOSES OF THIS PARAGRAPH.

23 7. IF THE AMOUNT OF MONIES AUTHORIZED PURSUANT TO PARAGRAPHS 1 THROUGH
24 6 OF THIS SUBSECTION HAVE NOT BEEN EXPENDED OR ENCUMBERED IN ANY FISCAL YEAR,
25 THE AMOUNT SHALL BE USED FOR FUNDING ANY OF THE PURPOSES DESCRIBED IN THIS
26 SUBSECTION.

27 G. THE ANNUAL REPORT OF THE DEPARTMENT SHALL INCLUDE A SECTION ON THE
28 GRANTS AWARDED PURSUANT TO SUBSECTION F OF THIS SECTION.

29 Sec. 3. Repeal

30 Section 49-551, Arizona Revised Statutes, as amended by Laws 2002,
31 chapter 296, section 5, is repealed.

32 Sec. 4. Repeal

33 Title 49, chapter 3, article 6, Arizona Revised Statutes, is repealed.