

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 743

PRINTER NO. 920

AMOUNT

See Fiscal Impact

FUND

General Fund
Motor License Fund

DATE INTRODUCED

June 10, 2019

PRIME SPONSOR

Senator K. Ward

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 743 amends Section 4702 (Requirement for periodic inspection of vehicles) of Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes to create a biennial vehicle emissions testing program.

This legislation requires biennial vehicle emissions testing unless the vehicle is exempted from the requirements for emission inspection under subsection (g). The biennial emission inspections would be on a staggered basis by which vehicles manufactured in an odd-numbered year will receive an emission inspection during an odd-numbered year and vehicles manufactured in an even-numbered year will receive an emission inspection during an even-numbered year.

The Pennsylvania Department of Environmental Protection (DEP) shall immediately notify the United States Environmental Protection Agency (EPA) of the modifications to the program and of the intent to seek its approval of the plan. The DEP shall also notify the chairs and minority chairs of the Senate and House of Representatives of the notification to the EPA. Upon approval by the EPA, the Secretary of Transportation shall transmit notice of the approval to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.

This act shall take effect in 120 days.

FISCAL IMPACT:

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

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

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

According to PennDOT, it would require a minimum of 18 months to implement this legislation. Ten months are needed to allow for system changes, one year is needed to allow time to procure certificate of exemption stickers and 18 months are needed for the emissions program manager to update equipment specifications and deploy upgrades. The department estimates the costs to implement system changes to be \$250,000. It's assumed that these cost are capable of being accommodated within the department's current workload and budget. The Governor's Executive Budget for FY 2019-20 includes an appropriation of \$60.9 million for General Government Operations from the Motor License Fund.

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

Finally, the commission reported that cost savings to consumers would be roughly offset by the loss of income to the inspection stations. Staggering the annual emissions testing on the 5.9 million vehicles would result in PennDOT collecting \$4.9 million less from the program management fee annually.

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