State of Arizona
House of Representatives
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First Regular Session
2001

CHAPTER 371

HOUSE BILL 2538

AN ACT

AMENDING TITLE 11, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-877; AMENDING SECTIONS 28-363, 28-2416, 41-1515, ARIZONA REVISED STATUTES; AMENDING SECTION 41-1516, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2001, CHAPTER 179, SECTION 1; AMENDING SECTIONS 49-410, 49-474.03, 49-541 AND 49-542, ARIZONA REVISED STATUTES; AMENDING TITLE 49, CHAPTER 3, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 49-542.06 AND 49-542.07; AMENDING SECTION 49-543, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 193, SECTION 579 AND CHAPTER 405, SECTION 35; REPEALING SECTION 49-543, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, SEVENTH SPECIAL SESSION, CHAPTER 1, SECTION 24; AMENDING SECTIONS 49-544 AND 49-551, ARIZONA REVISED STATUTES; AMENDING TITLE 49, CHAPTER 3, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 49-558 AND 49-558.01; AMENDING SECTION 49-965, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 41-1516, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; REPEALING SECTION 49-541.01, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1999, CHAPTER 298, SECTION 2; REPEALING LAWS 1999, CHAPTER 298, SECTION 8, AS AMENDED BY LAWS 2000, CHAPTER 404, SECTION 8; MAKING APPROPRIATIONS; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 11, chapter 6, article 4, Arizona Revised Statutes, is amended by adding section 11-877, to read:

11-877. Engine idling restrictions; exemptions; applicability; civil penalty; definition

A. BY JULY 1, 2002, A COUNTY THAT CONTAINS ANY PORTION OF AREA A AS DEFINED IN SECTION 49-451 SHALL ADOPT, IMPLEMENT AND ENFORCE ORDINANCES THAT PLACE LIMITS ON THE MAXIMUM IDLING TIME FOR ENGINES THAT PROPEL HEAVY DUTY DIESEL VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN FOURTEEN THOUSAND POUNDS. THE ORDINANCES SHALL AT LEAST INCLUDE EXEMPTIONS FOR:

1. CERTAIN TYPES OF VEHICLES, SUCH AS POLICE, FIRE AND OTHER EMERGENCY VEHICLES.

2. CERTAIN TYPES OF SITUATIONS SUCH AS TRAFFIC DELAYS OR THE NEED FOR A DRIVER TO SLEEP IN THE VEHICLE.

3. CERTAIN TYPES OF EQUIPMENT OPERATIONS, SUCH AS REFRIGERATION OF CARGO.

B. A COUNTY WITH A POPULATION OF LESS THAN ONE MILLION TWO HUNDRED THOUSAND PERSONS SHALL ADOPT, IMPLEMENT AND ENFORCE THE ORDINANCES REQUIRED BY THIS SECTION ONLY FOR THOSE PORTIONS OF THE COUNTY THAT ARE LOCATED IN AREA A.

C. ANY OTHER COUNTY MAY ADOPT, IMPLEMENT AND ENFORCE ORDINANCES THAT COMPLY WITH THIS SECTION.

D. A DRIVER WHO VIOLATES THIS SECTION IS SUBJECT TO:

1. THE IMPOSITION OF A CIVIL PENALTY OF ONE HUNDRED DOLLARS FOR THE FIRST VIOLATION.

2. THE IMPOSITION OF A CIVIL PENALTY OF THREE HUNDRED DOLLARS FOR A SECOND OR ANY SUBSEQUENT VIOLATION.

E. ORDINANCES ADOPTED PURSUANT TO THIS SECTION MAY BE ENFORCED BY A COUNTY CONTROL OFFICER OR ANY LAW ENFORCEMENT OFFICER WHO IS AUTHORIZED TO ENFORCE TRAFFIC LAWS. FOR VIOLATIONS OF THIS SECTION, A CONTROL OFFICER SHALL USE A UNIFORM CIVIL TICKET AND COMPLAINT SUBSTANTIALLY SIMILAR TO A UNIFORM TRAFFIC TICKET AND COMPLAINT PRESCRIBED BY THE RULES OF PROCEDURE IN CIVIL TRAFFIC CASES ADOPTED BY THE SUPREME COURT. THE CONTROL OFFICER MAY ISSUE CITATIONS TO PERSONS WHO VIOLATE THIS SECTION.

F. IN ENFORCING THE PROVISIONS OF THIS SECTION, A COUNTY CONTROL OFFICER OR AUTHORIZED LAW ENFORCEMENT OFFICER SHALL ONLY ISSUE ONE CITATION PER TRAFFIC STOP OR INVESTIGATION OF A DRIVER WHOSE VEHICLE EXCEEDS THE MAXIMUM IDLING LIMITS ESTABLISHED PURSUANT TO THIS SECTION.

G. FOR THE PURPOSES OF THIS SECTION, "IDLING" MEANS THE OPERATION OF AN ENGINE IN THE OPERATING MODE WHERE THE ENGINE IS NOT ENGAGED IN GEAR, WHERE THE ENGINE OPERATES AT A SPEED AT THE REVOLUTIONS PER MINUTE SPECIFIED BY THE ENGINE OR VEHICLE MANUFACTURER FOR WHEN THE ACCELERATOR IS FULLY RELEASED AND THERE IS NO LOAD ON THE ENGINE.

Sec. 2. Section 28-363, Arizona Revised Statutes, is amended to read:

28-363. Duties of the director; administration

A. The director shall:

1. Supervise and administer the overall activities of the department and its divisions and employees.

2. Appoint assistant directors for each of the divisions.

3. Provide for the assembly and distribution of information to the public concerning department activities.

4. Delegate functions, duties or powers as the director deems necessary to carry out the efficient operation of the department.

5. Exercise complete and exclusive operational control and jurisdiction over the use of state highways and routes.

6. Coordinate the design, right-of-way purchase and construction of controlled access highways that are either state routes or state highways and related grade separations of controlled access highways.

7. Coordinate the design, right-of-way purchase, construction, standard and reduced clearance grade separation, extension and widening of arterial streets and highways under chapters 17 and 18 of this title.

8. Assist counties, cities and towns in the development of their regional transportation plans under chapters 17 and 18 of this title to ensure that the streets and highways within each county form a regional system.

9. On or before December 1 present an annual report to the speaker of the house of representatives and the president of the senate documenting the expenditures of monies under chapters 17 and 18 of this title during the previous fiscal year relating to the design, right-of-way purchase or construction of controlled access highways that are accepted in the state highway system as state routes or state highways or related grade separations of controlled access highways that are included in the regional transportation plans of the counties.

10. Designate the necessary agencies for enforcing the provisions of the laws the director administers or enforces.

11. Exercise other duties or powers as the director deems necessary to carry out the efficient operation of the department.

12. Cooperate with the Arizona Mexico commission in the governor's office and with researchers at universities in this state to collect data on issues that are within the scope of the department's duties and that relate to quality of life, trade and economic development in this state in a manner that will help the Arizona Mexico commission to assess the economic competitiveness of this state and of the state of Sonora, Mexico.

13. DEVELOP A PLAN TO INCREASE USE OF BYPASS ROUTES BY VEHICLES ON DAYS OF POOR VISIBILITY IN THE PHOENIX METROPOLITAN AREA.

B. The assistant directors appointed pursuant to subsection A are exempt from the state personnel system.

C. The director shall not spend any monies, adopt any rules or implement any policies or programs to convert signs to the metric system or to require the use of the metric system with respect to designing or preparing plans, specifications, estimates or other documents for any highway project before the conversion or use is required by federal law, except that the director may:

1. Spend monies and require the use of the metric system with respect to designing or preparing plans, specifications, estimates or other documents for a highway project that is awarded before October 1, 1997, and that is exclusively metric from its inception.

2. Prepare for conversion to and use of the metric system not more than six months before the conversion or use is required by federal law.

Sec. 3. Section 28-2416, Arizona Revised Statutes, is amended to read:

28-2416. Alternative fuel vehicle special plates; stickers; use of high occupancy vehicle lanes; definition

A. Beginning on April 1, 1997, a person who owns a motor vehicle that has either been converted or manufactured to use an alternative fuel and the alternative fuel was subject to the use fuel tax imposed pursuant to chapter 16, article 2 of this title before April 1, 1997 shall apply for alternative fuel vehicle special plates pursuant to this section.

B. The department shall issue alternative fuel vehicle special plates, or an alternative fuel vehicle sticker as provided in subsection D of this section, to a person who satisfies all of the following:

1. Owns a motor vehicle that is powered by an alternative fuel.

2. Provides proof as follows:

(a) For an original equipment manufactured alternative fuel vehicle, the dealer who sells the motor vehicle shall provide to the department of transportation and the owner of the motor vehicle a certificate indicating:

(i) That the motor vehicle is powered by an alternative fuel.

(ii) The emission classification of the motor vehicle as low, inherently low, ultralow or zero.

(b) For a converted motor vehicle or a motor vehicle that is assembled by the owner, the department of environmental quality or an agent of the department of environmental quality shall provide a certificate to the department of transportation and the owner of the motor vehicle indicating that the motor vehicle is powered by an alternative fuel.

3. Pays an eight dollar special plate administrative fee, except that vehicles that are registered pursuant to section 28-2511 are exempt from that fee. The department shall deposit, pursuant to sections 35-146 and 35-147, all special plate administrative fees in the state highway fund established by section 28-6991.

C. The color and design of the alternative fuel vehicle special plates are subject to the approval of the department of commerce energy office. The director may allow a request for alternative fuel vehicle special plates to be combined with a request for personalized special plates. If the director

allows such a combination, the request shall be in a form prescribed by the director and is subject to the fees for the personalized special plates in addition to the fees required for alternative fuel vehicle special plates. Alternative fuel vehicle special plates are not transferable, except that if the director allows alternative fuel vehicle special plates to be personalized a person who is issued personalized alternative fuel vehicle special plates may transfer those plates to another alternative fuel vehicle for which the person is the registered owner or lessee.

D. If a motor vehicle qualifies pursuant to this section and any other special plates are issued pursuant to article 7, 8 or 13 of this chapter or section 28-2514 for the motor vehicle, the department may issue an alternative fuel vehicle sticker to the person who owns the motor vehicle. The sticker shall be diamond-shaped, shall indicate the type of alternative fuel used by the vehicle and shall be placed on the motor vehicle as prescribed by the department.

E. A person may drive a motor vehicle with alternative fuel vehicle special plates or an alternative fuel vehicle sticker in high occupancy vehicle lanes at any time, regardless of occupancy level, without penalty.

F. A person shall not drive a motor vehicle in a high occupancy vehicle lane with an alternative fuel vehicle sticker if the motor vehicle is not an alternative fuel vehicle. A person who violates this subsection is subject to a civil penalty of three hundred fifty dollars. Notwithstanding section 28-1554, the civil penalty collected pursuant to this subsection shall be deposited in the Arizona clean air fund established by section 41-1516 ~~to provide grants to a regional planning agency in a county with a population of more than one million two hundred thousand persons for conversion of diesel fleets in the county to use alternative fuels or for acquisition of alternative fuel vehicles to replace diesel fleets in the county~~.

G. The department shall mark high occupancy vehicle lane signs to indicate that those lanes may be used by alternative fuel vehicles regardless of the number of occupants. The design of the sign shall be the same as the design of the alternative fuel vehicle special plate, and the sign shall be at least as large as the high occupancy vehicle lane sign. These high occupancy vehicle lane signs are official traffic control devices. On highway exit signs the department shall also indicate access to alternative fuel vehicle fueling stations that are open to the public.

~~H. The costs of the high occupancy vehicle lane sign markings required by this section shall be paid from the monies in the Arizona clean air fund established by section 41-1516.~~

~~I.~~ H. If the department publishes maps of the state highway system that are distributed to the general public, the department shall indicate on those maps the approximate location of alternative fuel delivery facilities that are open to the public.

~~J.~~ I. For the purposes of this section, "alternative fuel" has the same meaning prescribed in section 1-215.

Sec. 4. Section 41-1515, Arizona Revised Statutes, is amended to read:

41-1515. Hydrogen grant program; fund; program termination

A. A hydrogen grant program is established within the department to encourage the use of hydrogen in projects that benefit the public.

B. A hydrogen grant program fund is established consisting of the following:

1. Monies appropriated by the legislature.

~~2. Monies provided pursuant to section 41-1516, subsection H.~~

~~3.~~ 2. Monies received through gifts, grants and donations.

C. The director of the department's energy office shall administer the program and the fund.

D. Subject to the availability of monies in the hydrogen grant program fund, the director of the energy office shall award grants of up to five hundred thousand dollars to applicants who satisfy all of the following:

1. Demonstrate the public benefit of the project to be funded with the grant.

2. Provide an acceptable project plan that includes a detailed cost schedule and time line for the completion of the project.

3. Limit administrative expenses to not more than ten per cent of the grant award.

E. Monies in the fund:

1. Shall be spent only for the purposes prescribed in this section, except that the energy office may use up to five per cent of the monies in the fund each year to administer the program.

2. Are continuously appropriated.

3. Are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

F. The program established by this section ends on July 1, 2010 pursuant to section 41-3102.

Sec. 5. Section 41-1516, Arizona Revised Statutes, as amended by Laws 2001, chapter 179, section 1, is amended to read:

41-1516. Arizona clean air fund; purposes; penalties; report; definition

A. The Arizona clean air fund is established consisting of the following:

1. Monies appropriated by the legislature.

~~2. Monies from the air quality fund pursuant to section 49-551, subsection C, paragraph 2.~~

~~3.~~ 2. Any monies that are appropriated to state agencies for alternative fuel vehicles or conversion of conventional vehicles to operate on alternative fuels and that have not been spent by the state agency at the end of each fiscal year.

~~4.~~ 3. Monies collected pursuant to section 49-543, subsection B, except that beginning on January 1, 2001 until the contract entered into pursuant to section 49-545 and in effect on April 28, 2000 expires, the department shall deposit, pursuant to sections 35-146 and 35-147, sixteen dollars eighty-one cents of the fee collected pursuant to section 49-543, subsection B in area A as defined in section 49-541 and two dollars fifty-one cents of the fee collected pursuant to section 49-543, subsection B in area B as defined in section 49-541 in the emissions inspection fund established by section 49-544 for the purpose of reducing the emissions inspection fees prescribed pursuant to section 49-543, subsection A.

~~5.~~ 4. Monies from the state lottery fund pursuant to section 5-522, subsection A, paragraph 4.

~~6.~~ 5. Monies deposited pursuant to sections 28-737, 28-876, 28-2416, 43-1086 and 43-1174.

~~7.~~ 6. Any other monies received through gifts, grants and donations.

B. The director shall administer the fund.

~~C. Except as provided in subsection D of this section, monies in the fund may be used for any of the following:~~

~~1. To promote public use of alternative fuels by providing individual grants for alternative fuel delivery systems that have had their equipment certified by the department of commerce energy office as follows:~~

~~(a) A grant of not more than one hundred thousand dollars for each variation of alternative fuel type dispensed through a newly constructed alternative fuel delivery system or an alternative fuel delivery system that is added to an existing facility if the alternative fuel delivery system is accessible to the general public.~~

~~(b) In addition to the grant prescribed in subdivision (a) of this paragraph, a grant for one hundred per cent of the cost of installing or retrofitting automatic debit or credit card access to an alternative fuel delivery system that is accessible to the general public.~~

~~(c) A grant of not more than fifty thousand dollars or the cost of the alternative fuel delivery system, whichever is less, for each variation of alternative fuel type dispensed through a newly constructed alternative fuel delivery system or an alternative fuel delivery system that is added to an existing facility if the alternative fuel delivery system is not accessible to the general public.~~

~~(d) A grant of not more than fifty thousand dollars for retrofitting a private alternative fuel delivery system to make it accessible to the general public.~~

~~(e) A grant of not more than fifty thousand dollars for retrofitting an alternative fuel delivery system owned by this state or a political subdivision of this state to make it accessible to other governmental entities.~~

~~2. Not more than one-half of the monies deposited in the fund shall be used by the department to establish a program that would provide grants~~

~~to individuals, small businesses or nonprofit corporations for the purchase and installation of an alternative fuel delivery system for use on the individual's, small business' or nonprofit corporation's property in this state. Grants awarded pursuant to this paragraph shall not be more than the cost of the alternative fuel delivery system. The cost of the alternative fuel delivery system does not include the cost of wall sockets or extension cords. The department of commerce shall promptly notify the department of revenue of individuals and small businesses that have received a grant pursuant to this paragraph and the amount of the grant. For the purposes of this paragraph, "small business" has the same meaning prescribed in section 41-1001.~~

~~3. Grants to school districts to pay a portion of the cost incurred for the alternative fuels program prescribed in section 15-349.~~

~~4. Grants to community college districts to pay a portion of the cost incurred for the alternative fuels program prescribed in section 41-803.~~

~~5. Grants to cities and towns to pay a portion of the cost incurred for the alternative fuels vehicle program and for the incremental cost of alternative fuel buses pursuant to section 9-500.04.~~

~~6. Grants to counties to pay a portion of the cost incurred for the alternative fuels program prescribed in section 49-474.01.~~

~~7. Grants to nonprofit corporations to pay a portion of the cost incurred by nonprofit corporations in acquiring alternative fuel vehicles.~~

~~8. Grants to provide service to fleets that have been converted for use of alternative fuel within the previous five years so that the vehicles in the fleets may function on alternative fuel.~~

~~9. To pay the costs of high occupancy vehicle lane sign markings required by section 28-2416 and the costs of providing the information prescribed in section 28-5801, subsection A, paragraph 2.~~

~~10. Administrative costs incurred by the department in administering the programs prescribed in this subsection.~~

~~11. To conduct public awareness programs for alternative fuels.~~

~~12. To provide for training for persons involved in alternative fuel activities with automobiles.~~

~~13. To allocate resources to reduce the cost of converting or acquiring alternative fuel vehicles and equipment as prescribed by sections 43-1086, 43-1086.01, 43-1086.02, 43-1174, 43-1174.01 and 43-1174.02.~~

~~14. To allocate resources to reduce the cost of an alternative fuel as prescribed by sections 43-1086, 43-1086.01, 43-1086.02, 43-1174, 43-1174.01 and 43-1174.02.~~

~~D.~~ C. MONIES IN THE FUND MAY BE USED FOR ADMINISTRATIVE COSTS INCURRED BY THE DEPARTMENT IN ADMINISTERING THE PROGRAMS PRESCRIBED BY THIS SECTION. Except as provided in subsections ~~E~~ D and ~~D~~ G of this section, the department shall use fifty per cent of the monies deposited in the fund in fiscal year 2000-2001 to provide grants to persons for purchasing alternative

fuel vehicles, converting conventionally fueled vehicles to operate on an alternative fuel or retrofitting alternative fuel vehicles.

~~E.~~ D. The time periods prescribed in subsection ~~D~~ C of this section are rolling time periods and begin whenever monies are deposited in the fund. Neighborhood electric vehicles as defined in section 43-1086 are not eligible for grants pursuant to subsection ~~D~~ C of this section. A grant provided pursuant to subsection ~~D~~ C of this section for the purchase of an alternative fuel vehicle or the conversion of a conventionally fueled vehicle to operate on alternative fuel shall be in an amount that is equal to the amount of the tax credit prescribed in section 43-1086, subsection B or 43-1174, subsection B. The department of commerce shall promptly notify the department of revenue of persons who have received a grant pursuant to subsection ~~D~~ C of this section and the amount of the grant. If monies are not available for grants to persons pursuant to subsection ~~D~~ C of this section, the department of commerce shall provide the eligible person with an affidavit stating that monies are not available in the fund for grants, that the person would qualify for a grant if monies were available in the fund and that the person is eligible for a tax credit pursuant to section 43-1086 or 43-1174. The department of commerce shall not provide grants pursuant to subsection ~~D~~ C of this section in a calendar year after the month in which the motor vehicle division reports to the department as provided in section 43-1086 that the number of new alternative fuel vehicles, excluding neighborhood electric vehicles, vehicles registered pursuant to section 28-2511 and commercial vehicles, newly registered in this state in the current calendar year exceeds one per cent of the total number of motor vehicles registered in this state in the previous calendar year. If grants are not provided in a calendar year based on a motor vehicle division report pursuant to section 43-1086, the restriction only applies to the remainder of that calendar year. If a person who applies for a grant pursuant to subsection ~~D~~ C of this section submits a purchase order and proof of at least a ten per cent down payment on an alternative fuel vehicle, conversion or retrofit or a bill of sale for an alternative fuel vehicle, conversion or retrofit at the time of application, the department shall secure monies for a grant for that person until the person completes the transaction if the transaction is completed within one year. In order to qualify for a grant pursuant to subsection ~~D~~ C of this section or a tax credit pursuant to section 43-1086 or 43-1174, a person shall apply for a grant pursuant to subsection ~~D~~ C of this section no later than one year after the person purchases, converts or retrofits an alternative fuel vehicle.

~~F. The department shall use monies in the fund for a grant to pay for the cost of an alternative fuel delivery system at northern Arizona university that is accessible to the general public. The amount of this grant shall not be more than three hundred thousand dollars. Alternative fuel sold from that alternative fuel delivery system shall not be marked up more than fifteen per cent.~~

~~G. The department shall use monies in the fund for grants to pay costs incurred for successful certification tests that are necessary to meet the requirements of memorandum 1-A issued by the United States environmental protection agency, that are performed in this state and the results of which are filed with the department of commerce energy office, except that fees required by the United States environmental protection agency are not eligible for grants pursuant to this subsection. Costs that are eligible for grants pursuant to this subsection include the following:~~

~~1. Procurement and operating costs for a single platform, including expenses for testing a vehicle up to its degradation mileage limit.~~

~~2. The cost of conversion equipment and installation for the single engine platform.~~

~~3. Expenses directly related to the process of obtaining certification, including:~~

~~(a) Personnel time.~~

~~(b) Additional materials.~~

~~(c) Specialized equipment rentals or leases.~~

~~(d) Operating costs and payments on purchased specialized emissions equipment during the time it is required for the certification process.~~

~~(e) The cost of installation for specialized emissions testing equipment.~~

~~(f) Ongoing maintenance, upgrading and repair costs for specialized emissions testing equipment during the time it is used for certification testing.~~

~~(g) The costs involved in obtaining technical information or access charges for information used for the certification process.~~

~~(h) Independent emissions laboratory fees required for validating certification criteria.~~

~~(i) Facility expenses that are prorated to the equivalent area of the required size of one bay large enough to house the platform and the necessary related equipment to perform the certification research and development and validation testing.~~

~~H. The department shall use monies in the fund to pay for one-half of the hydrogen program grants awarded pursuant to section 41-1515 in fiscal year 2000-2001 and fiscal year 2001-2002. Notwithstanding section 41-1515, an applicant for a grant of monies provided pursuant to this subsection shall provide funding in an amount that at least equals the grant award and if monies provided pursuant to this subsection are not used within five years the monies revert to the Arizona clean air fund.~~

~~I.~~ E. No later than ~~January 1, 2007~~ JUNE 30, 2003, the department shall use monies in the fund to provide grants for ~~at least sixteen~~ UP TO SEVENTY-FIVE PER CENT OF THE REASONABLE COSTS OF natural gas delivery systems. THE DEPARTMENT SHALL REVIEW AND DETERMINE THE REASONABLENESS OF THE COSTS OF THE DELIVERY SYSTEMS IN DETERMINING THE AMOUNTS AND RECIPIENTS OF THE GRANTS. These grants shall be provided to private entities to install

and operate natural gas delivery systems that are accessible to the general public at the private entities' existing motor vehicle fueling stations. These grants shall be provided for ~~at least eight~~ NOT MORE THAN FIVE natural gas delivery systems in area A as defined in section 49-541, ~~at least three~~ NOT MORE THAN TWO natural gas delivery systems in area B as defined in section 49-541, ~~one natural gas delivery system in Kingman, one natural gas delivery system in Yuma,~~ AND one natural gas delivery system in Casa Grande, ~~one natural gas delivery system in Show Low and one natural gas delivery system in Payson~~. A recipient of a grant pursuant to this subsection shall not charge for natural gas provided from a delivery system installed and operated under the grant more than the following amounts over the recipient's cost of the natural gas:

1. Fifteen cents per gallon to cover the cost of compression, including electricity, maintenance and wear and tear.

2. An additional fifteen cents per gallon as profit.

~~J.~~ F. If a grant is awarded pursuant to this section for ~~an alternative fuel~~ A NATURAL GAS delivery system located at a fueling station, the price of the alternative fuel sold ~~from the alternative fuel delivery system~~ shall be included on the standardized sign that contains the price of other fuels sold at the fueling station. The department of commerce energy office shall design these signs, including the alternative fuel logo for these signs. Notwithstanding any other law and because the legislature finds it a matter of statewide concern, these signs shall be uniform throughout the state and local ordinances, rules or laws are preempted for design, placement, size, type and height.

~~K. The department may provide certification of alternative fuel vehicles and equipment converted or purchased in previous tax years if the taxpayer provides appropriate documentation to the department and if the department deems the documentation and certification acceptable.~~

~~L. Except as provided in sections 43-1086 and 43-1174, tax credits for alternative fuel vehicles authorized pursuant to state law shall only be allowed if the vehicle meets one of the following:~~

~~1. The vehicle engine is certified to meet at a minimum the United States environmental protection agency low emission vehicle standard pursuant to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.~~

~~2. The vehicle engine meets the requirements of the addendum to memorandum 1-A, issued by the United States environmental protection agency, as printed in the federal register, volume 62, number 207, October 27, 1997, pages 55635 through 55637.~~

~~3. The vehicle engine is the subject of a waiver for that specific engine application from the United States environmental protection agency's memorandum 1-A requirements and that waiver is documented to the reasonable satisfaction of the department.~~

~~M. The director shall report annually to the legislature on the status of the Arizona clean air fund including a report on expenditures from the~~

~~fund pursuant to this section. The report shall include a summary of alternative fuel delivery systems for which funding was provided during the preceding fiscal year. The report shall be submitted to the president of the senate and the speaker of the house of representatives no later than September 1 of each year.~~

~~N. Monies in the Arizona clean air fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. On notice from the department of commerce, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.~~

~~O.~~ G. Except as provided in subsections ~~P~~ E, H, I and ~~Q~~ J of this section, the department shall not provide grants or affidavits to any person who enters into a contract or signs a purchase order for any of the following ~~beginning~~ on or after October 20, 2000:

1. The purchase of an alternative fuel vehicle as defined in section 43-1086.

2. The conversion of a conventionally fueled vehicle to operate on an alternative fuel.

3. The retrofitting of an alternative fuel vehicle.

4. The purchase and installation of an alternative fuel delivery system for use on an individual's, small business' or nonprofit corporation's property in this state ~~pursuant to subsection C, paragraph 2 of this section~~.

5. Alternative fuel delivery system construction or modification ~~pursuant to subsection C, paragraph 1 of this section~~.

~~P.~~ H. ~~Until October 1, 2001,~~ The department shall award grants for the ~~replacement or~~ conversion of diesel vehicles ~~over nineteen thousand five hundred pounds gross vehicle weight rating~~ to operate on alternative fuel ~~in an amount equal to the greater of the following~~ IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

~~1. Thirty per cent of the original manufacturer's base retail price.~~

1. THE VEHICLE HAS A GROSS VEHICLE WEIGHT RATING OF AT LEAST NINETEEN THOUSAND FIVE HUNDRED POUNDS.

2. THE VEHICLE IS NOT A RECREATIONAL VEHICLE AS DEFINED IN SECTION 28-3102.

3. THE VEHICLE IS REGISTERED IN THIS STATE.

4. THE GRANT RECIPIENT SIGNS A STATEMENT, UNDER PENALTY OF PERJURY, THAT IT IS THE RECIPIENT'S INTENT THAT THE VEHICLE WILL BE REGISTERED IN THIS STATE FOR AT LEAST THREE YEARS FROM THE DATE THE VEHICLE IS REGISTERED AS AN ALTERNATIVE FUEL VEHICLE AND THAT THE RECIPIENT INTENDS TO OPERATE THE VEHICLE MORE THAN FIFTY PER CENT OF THE TIME IN AREA A AS DEFINED IN SECTION 49-541 OR AREA B AS DEFINED IN SECTION 49-541.

5. NO INCOME TAX CREDIT CAN BE CLAIMED FOR THE VEHICLE PURSUANT TO SECTION 43-1086 OR 43-1174.

6. THE VEHICLE IS SUBJECT TO SECTION 28-4032, SUBSECTION A.

I. GRANTS SHALL BE AWARDED PURSUANT TO SUBSECTION H OF THIS SECTION IN AN AMOUNT EQUAL TO THE LESSER OF THE FOLLOWING:

1. THE COST OF CONVERSION.

2. Thirty thousand dollars.

~~I.~~ J. EACH FISCAL YEAR the aggregate total of grants awarded pursuant to ~~subsection P~~ SUBSECTIONS H AND I of this section shall not exceed six million five hundred thousand dollars. If an applicant meets the eligibility requirements prescribed in subsection ~~P~~ H of this section and the ~~replacement or~~ conversion of a diesel fuel vehicle ~~over nineteen thousand five hundred pounds gross vehicle weight rating~~ is documented by a contract or purchase order entered into by the applicant ~~before October 20, 2000~~, the department shall award grants pursuant to ~~subsection P~~ SUBSECTIONS H AND I of this section in the order of the date of the contract or purchase order entered into by the applicant. If there is a situation in which applicants have contracts or purchase orders with the same date and the grant money is insufficient to provide grants to all of the applicants, grants recipients shall be determined by a random selection method as prescribed in rules. The department shall prepare and make available a form for applicants who intend to apply for a grant.

~~K. No later than November 13, 2000, each person who sells alternative fuel vehicles in this state, who converts conventionally fueled vehicles to operate on an alternative fuel in this state, who sells or installs alternative fuel delivery systems for use on an individual's, small business' or nonprofit corporation's property in this state or who constructs or modifies alternative fuel delivery systems in this state shall provide information to the department of commerce, in a form determined by the department of commerce in consultation with the department of revenue, that is necessary to administer this program and to determine the full extent to which individuals and businesses are potentially eligible for grants pursuant to this section. The information shall include all persons who entered into contracts or signed purchase orders on or after January 1, 2000 through October 19, 2000 but shall not include any cancellations that occur before November 13, 2000. The department of commerce shall send a notice to each person known to the department to be required to provide information pursuant to this subsection. The department of commerce and the department of revenue shall keep confidential any social security numbers, other assigned taxpayer identification numbers or telephone numbers provided in the information required pursuant to this section. For the purposes of this subsection, the department of commerce is exempt from the rule making requirements of chapter 6 of this title.~~

~~S. For the purposes of this section, "alternative fuel delivery system" means any facility that provides for the fueling of an alternative fuel vehicle.~~

K. NOTWITHSTANDING SUBSECTION H, PARAGRAPH 6 OF THIS SECTION, THE DIRECTOR MAY AWARD GRANTS PURSUANT TO SUBSECTIONS H, I AND J OF THIS SECTION

FOR THE CONVERSION OF SCHOOL BUSES AND MUNICIPAL VEHICLES THAT OTHERWISE MEET THE REQUIREMENTS OF SUBSECTION H OF THIS SECTION.

L. ANY PERSON WHO VIOLATES THE REQUIREMENTS OF SUBSECTION H OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY THAT EQUALS THE AMOUNT OF THE GRANT RECEIVED FOR THE VEHICLE THAT IS THE SUBJECT OF THE VIOLATION PLUS ONE THOUSAND DOLLARS. THE ATTORNEY GENERAL SHALL ENFORCE THIS SUBSECTION.

M. THE DIRECTOR SHALL REPORT ANNUALLY TO THE LEGISLATURE ON THE STATUS OF THE ARIZONA CLEAN AIR FUND INCLUDING A REPORT ON THE EXPENDITURES FROM THE FUND PURSUANT TO THIS SECTION. THE REPORT SHALL BE SUBMITTED TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES NO LATER THAN SEPTEMBER 1 OF EACH YEAR.

N. MONIES IN THE ARIZONA CLEAN AIR FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. ON NOTICE FROM THE DEPARTMENT OF COMMERCE, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

O. FOR PURPOSES OF THIS SECTION, "NATURAL GAS DELIVERY SYSTEM" MEANS ANY FACILITY THAT PROVIDES FOR THE FUELING OF COMPRESSED NATURAL GAS OR LIQUEFIED NATURAL GAS VEHICLES.

Sec. 6. Section 49-410, Arizona Revised Statutes, is amended to read:

49-410. Arizona emissions bank; program termination

A. The department of environmental quality shall establish and administer an Arizona emissions bank. The department shall make information on credits deposited in the Arizona emissions bank easily accessible to the department of commerce and the public.

B. After the effective date of rules adopted pursuant to subsection D of this section, a permitted source that reduces emissions of ~~a conventional air pollutant~~ PARTICULATE MATTER, SULFUR DIOXIDE, CARBON MONOXIDE, NITROGEN DIOXIDE OR VOLATILE ORGANIC COMPOUNDS by an amount greater than that required by applicable law, rule, permit or order shall be granted credit in an amount to be determined by the department of environmental quality. The credit shall be deposited into the Arizona emissions bank. To be creditable for deposit in the Arizona emissions bank, the reduction in emissions shall be permanent, quantifiable and otherwise enforceable and shall occur after the effective date of this section. This section does not prohibit a source from receiving credit by means other than the Arizona emissions bank for emissions reductions that occurred before the effective date of this section.

C. The department of environmental quality shall register, certify or otherwise approve the amount of the credit before the credit is banked and used to offset future increases in the emissions of air pollutants. The credit may be used, traded, sold or otherwise expended within the same nonattainment area, maintenance area or modeling domain in which the emissions reduction occurred, only if there will be no adverse impact on air quality. Pursuant to title 41, chapter 6, article 8, the department may

delegate certification of emissions credits to a county or multi-county air quality control region, but shall retain authority to register credits and administer the Arizona emissions bank.

D. On or before January 1, ~~2001~~ 2002, the department of environmental quality shall adopt rules for the implementation and administration of the Arizona emissions bank, and establish the criteria the department will use to determine the amount of the emissions credit. The department shall establish by rule a fee system to administer the Arizona emissions bank. A county that has been delegated authority to certify emissions credits pursuant to subsection C of this section shall establish a fee system to cover the reasonable costs of certification in accordance with section 49-112, subsection B. In setting the fee, the director and a county shall consider the likely economic value of the credits and shall set a fee that does not discourage the banking of emissions credit.

E. The program established by this section ends on July 1, 2009 pursuant to section 41-3102.

Sec. 7. Section 49-474.03, Arizona Revised Statutes, is amended to read:

49-474.03. Voluntary vehicle repair and retrofit program; criteria; fund; report

A. A county with a population of more than four hundred thousand persons according to the most recent United States decennial census shall operate and administer a voluntary vehicle repair and retrofit program in the county. The county shall coordinate the program with the department of environmental quality and the department of transportation. A vehicle owner's participation is voluntary. The county may contract with an independent contractor to develop and implement all or any portion of the program. The program shall provide for real and quantifiable emissions reduction based on actual emissions testing performed on the vehicle before repair or retrofit.

B. A vehicle owner may participate in the program if all of the following criteria are met:

1. The owner is willing to participate in the program.

2. The vehicle being repaired or retrofitted is functionally operational.

3. The vehicle being repaired or retrofitted is titled in this state, has taken the emissions inspection test pursuant to section 49-542, subsection A, has been registered during the immediately preceding twelve months and has not been unregistered for more than sixty days.

4. The vehicle being repaired or retrofitted is at least twelve years older than the current calendar year.

5. The vehicle is required to take the emissions inspection test and the vehicle fails the emissions test in the emissions inspection results portion of the test. The vehicle owner shall apply to the program not more than sixty days after failing the test.

6. The emissions control system has not been tampered with.

7. The emissions control system has not been removed or disabled, in whole or in part.

8. The vehicle is taken to a participating repair facility. Any repairs performed at an unauthorized repair facility are not eligible for payment.

9. Participation in the program is limited to one vehicle per owner.

10. Motor homes, motorcycles, salvage vehicles and fleet vehicles are not eligible to participate in the program.

C. Notwithstanding subsection B OR D of this section, diesel powered motor vehicles with a gross vehicle rating of more than eight thousand five hundred pounds, that are registered in area A or B, as defined pursuant to section 49-541, and that fail any random roadside vehicle test conducted by the state OR FAIL THE EMISSION TEST GIVEN PURSUANT TO SECTION 49-542 are eligible for up to one thousand dollars in repair or retrofit costs from the program. Qualified vehicle owners pursuant to this subsection shall be responsible for one-half of the costs of the qualified repairs and the other half of the costs shall be funded from the program up to one thousand dollars. No more than ~~twenty~~ TWENTY-FIVE per cent of the program funds in any year may be used for the purposes of this subsection.

D. The county shall operate and administer an emissions control repair and retrofit program in cooperation with the department that provides that:

1. Vehicle owners who qualify for the repair and retrofit program shall pay the first one hundred fifty dollars as a copayment.

2. Vehicles that require more than seven hundred dollars in repair costs are not eligible unless the vehicle owner chooses to pay additional costs.

3. A vehicle that is able to accept a retrofit kit shall have a retrofit kit installed. A vehicle that requires more than eight hundred dollars in aggregated retrofit parts and labor costs is not eligible for the program unless the vehicle owner pays the additional costs.

E. A county with a population of more than one million two hundred thousand persons shall operate and administer a program to replace catalytic converters on motor vehicles that fail to meet emissions standards due to failure of the catalytic converter system if that failure is not the result of tampering.

F. The voluntary vehicle repair and retrofit program fund is established. The director shall administer the fund. Not more than five per cent of the monies in the fund may be used for the purpose of educating the general public about the program and eligibility for the program. The fund consists of monies from the following sources:

1. Monies appropriated by the legislature.

2. Monies appropriated by political subdivisions.

3. Gifts, grants and donations.

G. By December 1 of each year the county shall prepare and submit a progress report to the department of environmental quality, the department of transportation, the speaker of the house of representatives, the president of the senate, the governor, the secretary of state and the director of the Arizona state library, archives and public records on the voluntary vehicle repair and retrofit program that contains at least the following information:

1. The number of vehicles repaired or retrofitted by model year.

2. The cost-effectiveness of the program in terms of dollars spent per ton of vehicle emissions reductions.

3. Any recommendations for improving the effectiveness of the program.

4. The administrative costs of the program.

Sec. 8. Section 49-541, Arizona Revised Statutes, is amended to read:

49-541. Definitions

In this article, unless the context otherwise requires:

1. "Area A" means the area delineated as follows:

(a) In Maricopa county:

Township 8 north, range 2 east and range 3 east

Township 7 north, range 2 west through range 5 east

Township 6 north, range ~~2~~ 5 west through range 6 east

Township 5 north, range ~~2~~ 5 west through range 7 east

Township 4 north, range ~~2~~ 5 west through range 8 east

Township 3 north, range ~~2~~ 5 west through range 8 east

Township 2 north, range ~~2~~ 5 west through range 8 east

Township 1 north, range ~~2~~ 5 west through range 7 east

Township 1 south, range ~~2~~ 5 west through range 7 east

Township 2 south, range ~~2~~ 5 west through range 7 east

TOWNSHIP 3 SOUTH, RANGE 5 WEST THROUGH RANGE 1 EAST

TOWNSHIP 4 SOUTH, RANGE 5 WEST THROUGH RANGE 1 EAST

(b) In Pinal county:

Township 1 north, range 8 east and range 9 east

Township 1 south, range 8 east and range 9 east

Township 2 south, range 8 east and range 9 east

Township 3 south, range 7 east through range 9 east

(c) In Yavapai county:

Township 7 north, range 1 east and range 1 west through range 2 west.

TOWNSHIP 6 NORTH, RANGE 1 EAST AND RANGE 1 WEST

2. "Area B" means the area delineated in Pima county as township 11 and 12 south, range 12 through 14 east; township 13 through 15 south, range 11 through 16 east; township 16 south, range 12 through 16 east, excluding any portion of the Coronado national forest and the saguaro national park.

3. "Certificate of inspection" means a serially numbered device or symbol, as may be prescribed by the director, indicating that a vehicle has been inspected pursuant to the provisions of section 49-546 and has passed inspection.

4. "Certificate of waiver" means a serially numbered device or symbol, as may be prescribed by the director, indicating that the requirement of passing reinspection has been waived for a vehicle pursuant to the provisions of this article.

5. "Conditioning mode" means either a fast idle test condition or a loaded test condition.

6. "Curb idle test condition" means an exhaust emissions test conducted with the engine of a vehicle running at the manufacturer's specified idle speed plus or minus one hundred revolutions per minute but without pressure exerted on the accelerator.

7. "Emissions inspection station permit" means a certificate issued by the director authorizing the holder to perform vehicular inspections pursuant to this article.

8. "Fast idle test condition" means an exhaust emissions test conducted with the engine of the vehicle running under an accelerated condition to an extent prescribed by the director.

9. "Fleet emissions inspection station" means any inspection facility operated under a permit issued to a qualified fleet owner or lessee as determined by the director.

10. "Golf cart" means a motor vehicle which has not less than three wheels in contact with the ground, has an unladen weight of less than thirteen hundred pounds, is designed to be and is operated at not more than fifteen miles an hour and is designed to carry golf equipment and persons.

11. "Gross weight" has the SAME meaning prescribed in section 28-5431.

12. "Independent contractor" means any person, business, firm, partnership or corporation with which the director may enter into an agreement providing for the construction, equipment, maintenance, personnel, management and operation of official emissions inspection stations pursuant to section 49-545.

13. "Loaded test condition" means an exhaust emissions test conducted at cruise or transient conditions as prescribed by the director.

14. "Official emissions inspection station" means an inspection facility, other than a fleet emissions inspection station, whether placed in a permanent structure or in a mobile unit for conveyance among various locations within this state, for the purpose of conducting emissions inspections of all vehicles required to be inspected pursuant to this article.

15. "Tampering" means removing, defeating or altering an emissions control device which was installed at the time a vehicle was manufactured.

16. "Vehicle" means any automobile, truck, truck tractor, motor bus or self-propelled or motor-driven vehicle registered or to be registered in this state and used upon the public highways of this state for the purpose of transporting persons or property, except implements of husbandry, road rollers or road machinery temporarily operated upon the highway.

17. "Vehicle emissions control area" means area A or area B.

Sec. 9. Section 49-542, Arizona Revised Statutes, is amended to read:

49-542. Emissions inspection program; powers and duties of director; administration; periodic inspection; minimum standards and rules; exception

A. The director shall administer a comprehensive annual or biennial emissions inspection program which shall require the inspection of vehicles in this state pursuant to this article and applicable administrative rules. Such inspection is required in area A and area B, for those vehicles owned by a person who is subject to section 15-1444 or 15-1627 and for those vehicles registered outside of area A or area B but used to commute to the driver's principal place of employment located within area A or area B. Inspection in other counties of the state shall commence upon application by a county board of supervisors for participation in such inspection program, subject to approval by the director. In all counties with a population of three hundred fifty thousand or fewer persons according to the most recent United States decennial census, except for the portion of counties that contain any portion of area A, the director shall as conditions dictate provide for testing to determine the effect of vehicle related pollution on ambient air quality in all communities with a metropolitan area population of twenty thousand persons or more according to the most recent United States decennial census. If such testing detects the violation of state ambient air quality standards by vehicle related pollution, the director shall forward a full report of such violation to the president of the senate, the speaker of the house of representatives and the governor.

B. The state's annual or biennial emissions inspection program shall provide for vehicle inspections at official emissions inspection stations or at fleet emissions inspection stations. Each inspection station in area A shall employ at least one mechanic who is available during the station's hours of operation to provide technical advice and assistance for persons who fail the emissions test. The director may enter into agreements with the department of transportation or with county assessors for the use of official emissions inspection stations for the purpose of conducting vehicle registrations. An official or fleet emissions inspection station permit shall not be sold, assigned, transferred, conveyed or removed to another location except on such terms and conditions as the director may prescribe.

C. Vehicles required to be inspected and registered in this state, except those provided for in section 49-546, shall be inspected, for the purpose of complying with the registration or reregistration requirement pursuant to subsection D of this section, in accordance with the provisions of this article no more than ninety days prior to each reregistration expiration date. A vehicle may be submitted voluntarily for inspection more than ninety days before the reregistration expiration date on payment of the prescribed inspection fee. Such voluntary inspection shall not be considered as compliance with the registration or reregistration requirement pursuant to subsection D of this section.

D. A vehicle shall not be registered or reregistered until such vehicle has passed the emissions inspection and the tampering inspection prescribed in subsection G of this section or has been issued a certificate of waiver. A certificate of waiver shall only be issued one time to a vehicle after January 1, 1997. If any vehicle to be registered or reregistered is being sold by a dealer licensed to sell motor vehicles pursuant to title 28, the cost of any inspection and any repairs necessary to pass the inspection shall be borne by the dealer. A dealer who is licensed to sell motor vehicles pursuant to title 28 and whose place of business is located in area A or area B shall not deliver any vehicle to the retail purchaser until the vehicle passes any inspection required by this article or the vehicle is exempt under subsection J of this section.

E. On the registration or reregistration of a vehicle which has complied with the minimum emissions standards pursuant to this section or is otherwise exempt under this section, the registering officer shall issue an air quality compliance sticker to the registered owner which shall be placed on the vehicle as prescribed by rule adopted by the department of transportation or issue a modified year validating tab as prescribed by rule adopted by the department of transportation. Those persons who reside outside of area A or area B but who elect to test their vehicle or are required to test their vehicle pursuant to this section and who comply with the minimum emissions standards pursuant to this section or are otherwise exempt under this section shall remit a compliance form, as prescribed by the department of transportation, and proof of compliance issued at an official emissions inspection station to the department of transportation along with the appropriate fees. The department of transportation shall then issue the person an air quality compliance sticker which shall be placed on the vehicle as prescribed by rule adopted by the department of transportation. The registering officer or the department of transportation shall collect an air quality compliance fee of twenty-five cents. The registering officer or the department of transportation shall deposit, pursuant to sections 35-146 and 35-147, the air quality compliance fee in the state highway fund established by section 28-6991. The department of transportation shall deposit, pursuant to sections 35-146 and 35-147, any emissions inspection fee in the emissions inspection fund. The provisions of this subsection do not apply to those vehicles registered pursuant to title 28, chapter 7, article 7 or 8, the sale of vehicles between motor vehicle dealers or vehicles leased to a person residing outside of area A or area B by a leasing company whose place of business is in area A or area B.

F. The director shall adopt minimum emissions standards pursuant to section 49-447 with which the various classes of vehicles shall be required to comply as follows:

1. For the purpose of determining compliance with minimum emissions standards in area B:

(a) A motor vehicle manufactured in or before the 1980 model year, other than a diesel powered vehicle, shall be required to take and pass the curb idle test condition. A diesel powered vehicle is subject to only a loaded test condition. The conditioning mode shall, at the option of the vehicle owner or owner's agent, be administered only after the vehicle has failed the curb idle test condition. Upon completion of such conditioning mode, a vehicle that has failed the curb idle test condition may be retested in the curb idle test condition. If the vehicle passes such retest, it shall be deemed in compliance with minimum emissions standards unless the vehicle fails the tampering inspection pursuant to subsection G of this section.

(b) A motor vehicle manufactured in or after the 1981 model year, other than a diesel powered vehicle, shall be required to take and pass the curb idle test condition and the loaded test condition OR AN ON-BOARD DIAGNOSTIC CHECK AS MAY BE REQUIRED PURSUANT TO TITLE II OF THE CLEAN AIR ACT.

~~(c) An on board diagnostic check as may be required pursuant to title II of the clean air act may be conducted for advisory purposes.~~

2. For purposes of determining compliance with minimum emissions standards and functional tests in area A:

(a) Motor vehicles manufactured in or after model year 1981 with a gross vehicle weight rating of eighty-five hundred pounds or less, other than diesel powered vehicles, shall be required to take and pass a transient loaded emissions test or an on board diagnostic check as may be required pursuant to title II of the clean air act.

(b) Motor vehicles other than those prescribed by subdivision (a) of this paragraph and other than diesel powered vehicles shall be required to take and pass a steady state loaded test and a curb idle emissions test.

(c) Notwithstanding the requirement of subsection C of this section that the first emissions inspection after the purchase of a new vehicle be for the second registration year for that vehicle, a diesel powered motor vehicle applying for registration or reregistration in area A more than thirty-three months after the date of initial registration shall be required to take and pass an annual emissions test conducted at an official emissions inspection station or a fleet emissions inspection station as follows:

(i) A loaded, transient or any other form of test as provided for in rules adopted by the director for vehicles with a gross vehicle weight rating of eight thousand five hundred pounds or less.

(ii) A test that conforms with the society for automotive engineers standard J1667 for vehicles with a gross vehicle weight rating of more than eight thousand five hundred pounds.

(d) Motor vehicles by specific class or model year shall be required to take and pass any of the following tests:

(i) An evaporative system purge test.

(ii) An evaporative system integrity test.

(e) An on board diagnostic check as may be required pursuant to title II of the clean air act may be conducted for advisory purposes.

3. A motorcycle or constant four wheel drive vehicle shall be required to take and pass a curb idle emissions test.

4. Fleet operators in area B which have been issued a permit under section 49-546 are required to test their vehicles as follows:

(a) A motor vehicle manufactured in or before the 1980 model year shall take and pass only the curb idle test condition, except that a diesel powered vehicle is subject to only a loaded test condition.

(b) A motor vehicle manufactured in or after the 1981 model year shall take and pass the curb idle test condition and a twenty-five hundred revolutions per minute unloaded test condition.

5. Vehicles owned or operated by the United States, this state or a political subdivision of this state shall comply with this subsection without regard to whether those vehicles are required to be registered in this state, except that alternative fuel vehicles of a school district that is located in area A shall be required to take and pass the curb idle test condition and the loaded test condition.

6. Fleet operators in area A shall comply with this section, except that used vehicles sold by a motor vehicle dealer who is a fleet operator and who has been issued a permit pursuant to section 49-546 for purposes of determining compliance with minimum emission standards in area A shall test their vehicles as follows:

(a) A motor vehicle manufactured in or before the 1980 model year shall take and pass the curb idle test condition, except that a diesel powered vehicle is subject to only a loaded test condition.

(b) A motor vehicle manufactured in or after the 1981 model year shall take and pass the curb idle test condition and a two thousand five hundred revolutions per minute unloaded test condition.

7. Beginning on January 1, 2004, a diesel powered motor vehicle with a gross vehicle weight of more than twenty-six thousand pounds and for which gross weight fees are paid pursuant to title 28, chapter 15, article 2 in area A shall not be allowed to operate in area A unless it was manufactured in or after the 1988 model year or is powered by an engine that is certified to meet or surpass emissions standards contained in 40 Code of Federal Regulations section 86.088-11. This paragraph does not apply to vehicles that are registered pursuant to title 28, chapter 7, article 7 or 8.

G. In addition to an emissions inspection, a vehicle is subject to a tampering inspection on at least a biennial basis if the vehicle was manufactured after the 1974 model year and the vehicle is not subject to a transient loaded emissions test. The director shall adopt vehicle configuration guidelines for the tampering inspection which shall be based on the original configuration of the vehicle when manufactured. The tampering inspection shall consist of the following:

1. A visual check to determine the presence of properly installed catalytic converters.

2. An examination to determine the presence of an operational air pump.

3. In area A, if the vehicle was manufactured after the 1974 model year and is not subject to a transient loaded emissions test, a visual inspection for the presence or malfunction of the positive crankcase ventilation system and the evaporative control system.

H. Vehicles required to be inspected shall undergo a functional test of the gas cap to determine if the cap holds pressure within limits prescribed by the director, except for any vehicle that is subject to an evaporative system integrity test.

I. Motor vehicles failing the initial or subsequent test are not subject to a penalty fee for late registration renewal if the original testing was accomplished before the expiration date and if the registration renewal is received by the motor vehicle division or the county assessor within thirty days of the original test.

J. The director may adopt rules for purposes of implementation, administration, regulation and enforcement of the provisions of this article including:

1. The submission of records relating to the emissions inspection of vehicles inspected by another jurisdiction in accordance with another inspection law and the acceptance of such inspection for compliance with the provisions of this article.

2. The exemption from inspection of:

(a) A motor vehicle manufactured in or before the 1966 model year.

(b) New vehicles originally registered at the time of initial retail sale and titling in this state pursuant to section 28-2153 or 28-2154.

(c) Vehicles registered pursuant to title 28, chapter 7, article 7 or 8.

(d) During each calendar year vehicles of that model year and vehicles from the prior four model years.

(e) Vehicles which will not be available within the state during the ninety days prior to registration.

(f) Golf carts.

(g) Electrically-powered vehicles.

(h) Vehicles with an engine displacement of less than ninety cubic centimeters.

(i) The sale of vehicles between motor vehicle dealers.

(j) Vehicles leased to a person residing outside of area A or area B by a leasing company whose place of business is in area A or area B.

3. Compiling and maintaining records of emissions test results after servicing.

4. A procedure which shall allow the vehicle service and repair industry to compare the calibration accuracy of its emissions testing equipment with the department's calibration standards.

5. Training requirements for automotive repair personnel using emissions measuring equipment whose calibration accuracy has been compared with the department's calibration standards.

6. Any other rule which may be required to accomplish the provisions of this article.

K. The director shall, after consultation with automobile manufacturers and the vehicle service and repair industry, establish by rule a definition of "low emissions tune-up" for motor vehicles subject to inspection under this article. The definition shall specify repair procedures which, when implemented, will reduce vehicle emissions.

L. The director shall adopt rules which specify that the estimated retail cost of all recommended maintenance and repairs shall not exceed the amounts prescribed in this subsection, except that if a vehicle fails a tampering inspection there is no limit on the cost of recommended maintenance and repairs. The director shall issue a certificate of waiver for a vehicle which has failed reinspection, if the director has determined that all recommended maintenance and repairs have been performed. If, after reinspection, the director has determined that the vehicle is in compliance with minimum emissions standards or that all recommended maintenance and repairs for compliance with minimum emissions standards have been performed, but that tampering discovered at a tampering inspection has not been repaired, the director may issue a certificate of waiver if the owner of the vehicle provides to the director a written statement from an automobile parts or repair business that an emissions control device which is necessary to repair the tampering is not available and cannot be obtained from any usual source of supply before the vehicle's current registration expires. Rules adopted by the director for the purpose of establishing the estimated retail cost of all recommended maintenance and repairs pursuant to this subsection shall specify that:

1. In area A the cost shall not exceed:

(a) Five hundred dollars for a diesel powered vehicle with a gross weight in excess of twenty-six thousand pounds.

(b) Five hundred dollars for a diesel powered vehicle with tandem axles.

(c) For a vehicle other than a diesel powered vehicle with a gross weight in excess of twenty-six thousand pounds and other than a diesel powered vehicle with tandem axles:

(i) Two hundred dollars for such a vehicle manufactured in or before the 1974 model year.

(ii) Three hundred dollars for such a vehicle manufactured in the 1975 through 1979 model years.

(iii) Four hundred fifty dollars for such a vehicle manufactured in or after the 1980 model year.

2. In area B the cost shall not exceed:

(a) Three hundred dollars for a diesel powered vehicle with a gross weight in excess of twenty-six thousand pounds.

(b) Three hundred dollars for a diesel powered vehicle with tandem axles.

3. For a vehicle other than a diesel powered vehicle with a gross weight in excess of twenty-six thousand pounds and other than a diesel powered vehicle with tandem axles:

(a) Fifty dollars for such a vehicle manufactured in or before the 1974 model year.

(b) Two hundred dollars for such a vehicle manufactured in the 1975 through 1979 model years.

(c) Three hundred dollars for such a vehicle manufactured in or after the 1980 model year.

M. Each person whose vehicle has failed an emissions inspection shall be provided a list of those general recommended tune-up procedures for vehicles which are designed to reduce vehicle emissions levels. The list shall include the following notice: "This test is the result of federal law. You may wish to contact your representative in the United States Congress."

N. Notwithstanding any other provisions of this article, the director may adopt rules allowing exemptions from the requirement that all vehicles must meet the minimum standards for registration or reregistration.

O. The director of environmental quality shall establish, in cooperation with the assistant director for the motor vehicle division of the department of transportation:

1. An adequate method for identifying bona fide residents residing outside of area A or area B to ensure that such residents are exempt from compliance with the inspection program established by this article and rules adopted under this article.

2. A written notice that shall accompany the vehicle registration application forms that are sent to vehicle owners pursuant to section 28-2151 and that shall accompany or be included as part of the vehicle emissions test results that are provided to vehicle owners at the time of the vehicle emissions test. This written notice shall describe at least the following:

(a) The restriction of the waiver program to one time per vehicle and a brief description of the implications of this limit.

(b) The availability and a brief description of the vehicle repair and retrofit program established pursuant to section 49-474.03.

(c) Notice that many vehicles carry extended warranties for vehicle emissions systems, and those warranties are described in the vehicle's owner's manual or other literature.

(d) A description of the catalytic converter replacement program established pursuant to section 49-474.03.

P. Notwithstanding any other law, if area A or area B is reclassified as an attainment area, emissions testing conducted pursuant to this article shall continue for vehicles registered inside that reclassified area, vehicles owned by a person who is subject to section 15-1444 or 15-1627 and vehicles registered outside of that reclassified area but used to commute to the driver's principal place of employment located within that reclassified area.

Q. A fleet operator who is issued a permit pursuant to section 49-546 may electronically transmit emissions inspection data to the department of transportation pursuant to rules adopted by the director of the department of transportation in consultation with the director of environmental quality.

R. The director shall prohibit a certificate of waiver pursuant to subsection L of this section for any vehicle which has failed inspection in area A due to the catalytic converter system.

S. The director shall establish provisions for rapid testing of certain vehicles and to allow fleet operators, singly or in combination, to contract directly for vehicle emissions testing.

T. Each vehicle emissions control station in area A shall have a sign posted to be visible to persons who are having their vehicles tested. This sign shall state that enhanced testing procedures are a direct result of federal law.

U. The initial adoption of rules pursuant to this section shall be deemed emergency rules pursuant to section 41-1026.

V. The director of environmental quality and the director of the department of transportation shall implement a system to exchange information relating to the waiver program, including information relating to vehicle emissions test results and vehicle registration information.

W. Any person who sells a vehicle that has been issued a certificate of waiver pursuant to this section after January 1, 1997 and who knows that a certificate of waiver has been issued after January 1, 1997 for that vehicle shall disclose to the buyer before completion of the sale that a certificate of waiver has been issued for that vehicle.

X. Vehicles that fail the emissions test at emission levels higher than twice the standard established for that vehicle class by the department pursuant to section 49-447 are not eligible for a certificate of waiver pursuant to this section unless the vehicle is repaired sufficiently to achieve an emissions level below twice the standard for that class of vehicle.

Sec. 10. Title 49, chapter 3, article 5, Arizona Revised Statutes, is amended by adding sections 49-542.06 and 49-542.07, to read:

49-542.06. Roadside testing of diesel vehicles; contract; test standards; cut points

A. THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A ROADSIDE TESTING PROGRAM FOR DIESEL POWERED MOTOR VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN TEN THOUSAND POUNDS THAT ARE OPERATED IN AREA A OR B, INCLUDING

DIESEL VEHICLES REGISTERED PURSUANT TO TITLE 28, CHAPTER 7, ARTICLE 7 OR 8. THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT CONTRACTOR TO IMPLEMENT THE PROGRAM. IF AN INDEPENDENT CONTRACTOR IS USED, THE DEPARTMENT OF ADMINISTRATION, IN CONSULTATION WITH THE DEPARTMENT OF ENVIRONMENTAL QUALITY, SHALL ADMINISTER THE REQUEST FOR PROPOSAL AND AWARD PROCESSES.

B. THE SMOKE TESTING PROCEDURES AND MEASURING EQUIPMENT USED IN DETERMINING VIOLATIONS OF THE TEST STANDARDS SHALL BE CONDUCTED IN ACCORDANCE WITH THE SOCIETY OF AUTOMOTIVE ENGINEERS RECOMMENDED PRACTICE J1667, SNAP ACCELERATION SMOKE TEST PROCEDURE FOR HEAVY-DUTY DIESEL POWERED VEHICLES. THE DEPARTMENT SHALL DEVELOP CRITERIA AND PROCEDURES TO VALIDATE THAT METERS PRODUCE CONSISTENT AND REPEATABLE RESULTS.

C. THE DEPARTMENT SHALL DEVELOP MAXIMUM ALLOWABLE OPACITY CUT POINTS BASED ON MODEL YEAR OF VEHICLES.

D. THE INSPECTION PROGRAM SHALL INCLUDE APPROPRIATE VISUAL SCREENING AND SHALL PROVIDE FOR THE ISSUANCE OF CITATIONS FOR FAILURE TO COMPLY.

E. THE PROGRAM SHALL PROVIDE FOR APPROPRIATE ALTERNATIVE STANDARDS FOR VEHICLES THAT MEET ENGINE MANUFACTURERS' SPECIFICATIONS.

49-542.07. Civil penalties

A. THE DRIVER OF A DIESEL VEHICLE THAT FAILS THE TEST ADMINISTERED PURSUANT TO SECTION 49-542.06, INCLUDING FAILURE DUE TO REFUSAL TO SUBMIT TO THE TEST, IS SUBJECT TO THE FOLLOWING PENALTY SCHEDULE:

1. THE DRIVER OF A VEHICLE THAT IS CITED FOR THE FIRST TIME AND FOR WHICH DEMONSTRATION OF CORRECTION IS PROVIDED AND PAYMENT IS MADE WITHIN FORTY-FIVE DAYS FROM THE DATE OF RECEIPT OF THE CITATION BY CERTIFIED MAIL SHALL PAY A PENALTY OF ONE HUNDRED FIFTY DOLLARS.

2. THE DRIVER OF A VEHICLE THAT IS CITED FOR THE FIRST TIME FOR THE REFUSAL OF THE DRIVER TO SUBMIT TO THE TEST PROCEDURE OR THAT IS CITED FOR THE FIRST TIME AND FOR WHICH DEMONSTRATION OF CORRECTION IS NOT PROVIDED WITHIN FORTY-FIVE DAYS FROM THE DATE OF RECEIPT OF THE CITATION BY CERTIFIED MAIL SHALL PROVIDE DEMONSTRATION OF CORRECTION AND PAY A PENALTY OF EIGHT HUNDRED DOLLARS.

3. THE DRIVER OF A VEHICLE THAT IS CITED WITHIN TWELVE MONTHS FROM THE ISSUANCE OF THE MOST RECENT CITATION FOR THAT VEHICLE SHALL PROVIDE DEMONSTRATION OF CORRECTION, WITHIN FORTY-FIVE DAYS FROM THE DATE OF RECEIPT OF THE CURRENT CITATION BY CERTIFIED MAIL, AND PAY A PENALTY OF ONE THOUSAND EIGHT HUNDRED DOLLARS.

B. A CITATION SHALL NOT BE ISSUED TO THE DRIVER OF A HEAVY-DUTY VEHICLE POWERED BY A PRE-1991 MODEL YEAR DIESEL ENGINE ON THE BASIS OF A MEASURED SMOKE OPACITY EXCEEDING FIFTY-FIVE PER CENT BUT NOT EXCEEDING SIXTY-NINE PER CENT, UNLESS EITHER OF THE FOLLOWING OCCURS:

1. THE DRIVER FAILS TO PROVIDE A DEMONSTRATION OF CORRECTION WITHIN FORTY-FIVE DAYS FROM THE DATE OF RECEIPT BY CERTIFIED MAIL OF THE NOTICE OF VIOLATION.

2. A NOTICE OF VIOLATION OR CITATION HAS BEEN ISSUED FOR THE VEHICLE IN THE PRECEDING TWELVE MONTHS.

C. THE DRIVER OF A VEHICLE THAT IS THE SUBJECT OF A NOTICE OF VIOLATION AND FOR WHICH DEMONSTRATION OF CORRECTION IS PROVIDED WITHIN FORTY-FIVE DAYS FROM THE DATE OF RECEIPT BY CERTIFIED MAIL OF THE NOTICE OF VIOLATION IS NOT SUBJECT TO A PENALTY FOR THE VIOLATION.

D. THE DRIVER OF A VEHICLE THAT IS INITIALLY SUBJECT TO A NOTICE OF VIOLATION BUT THAT IS CITED AFTER A DEMONSTRATION OF CORRECTION IS SUBJECT TO A PENALTY OF EIGHT HUNDRED DOLLARS.

E. IF A HEAVY-DUTY VEHICLE WITH A PRE-1991 ENGINE HAS A MEASURED OPACITY EXCEEDING FIFTY-FIVE PER CENT BUT NOT EXCEEDING SIXTY-NINE PER CENT WITHIN TWELVE MONTHS OF ISSUANCE OF A NOTICE OF VIOLATION FOR WHICH A DEMONSTRATION OF CORRECTION WAS TIMELY PROVIDED WITHIN THE APPLICABLE FORTY-FIVE DAY PERIOD, A CITATION SHALL BE ISSUED AND THE DRIVER IS SUBJECT TO A PENALTY OF EIGHT HUNDRED DOLLARS.

F. IF A HEAVY-DUTY VEHICLE WITH A PRE-1991 ENGINE HAS A MEASURED OPACITY EXCEEDING FIFTY-FIVE PER CENT BUT NOT EXCEEDING SIXTY-NINE PER CENT WITHIN TWELVE MONTHS OF ISSUANCE OF A NOTICE OF VIOLATION FOR WHICH A DEMONSTRATION OF CORRECTION WAS NOT TIMELY PROVIDED WITHIN THE APPLICABLE FORTY-FIVE DAY PERIOD, A CITATION SHALL BE ISSUED AND THE DRIVER IS SUBJECT TO THE PENALTY OF ONE THOUSAND EIGHT HUNDRED DOLLARS.

G. IF A VEHICLE FAILS THE TEST PROCEDURE OR AN EMISSIONS CONTROL SYSTEM INSPECTION ONE YEAR OR MORE AFTER THE DATE OF ITS MOST RECENT FAILURE, THE DRIVER OF THAT VEHICLE IS SUBJECT TO THE PENALTY SCHEDULE IN SUBSECTION A OF THIS SECTION.

H. IF A DRIVER IS CITED AFTER A BONA FIDE CHANGE OF OWNER BETWEEN NONRELATED PERSONS OR ENTITIES, THE NEW OWNER IS SUBJECT TO THE PENALTY SCHEDULE IN SUBSECTION A OF THIS SECTION IF THE ONLY CITATIONS ISSUED FOR THE VEHICLE WITHIN THE PREVIOUS TWELVE MONTHS WERE ISSUED BEFORE THE CHANGE OF OWNERSHIP TO THE NEW OWNER.

I. A DRIVER WHO HAS BEEN CITED TWICE OR MORE FOR TAMPERED EMISSIONS CONTROLS ON THE SAME VEHICLE IS SUBJECT TO A PENALTY OF ONE THOUSAND EIGHT HUNDRED DOLLARS.

J. FOR A VEHICLE THAT IS REGISTERED IN THIS STATE AND FOR WHICH A CIVIL PENALTY ASSESSED PURSUANT TO THIS SECTION HAS NOT BEEN PAID, THE DIRECTOR OF ENVIRONMENTAL QUALITY SHALL NOTIFY THE DEPARTMENT OF TRANSPORTATION BY ELECTRONIC MEANS. THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION SHALL SEND A LETTER BY FIRST CLASS MAIL TO THE PERSON TO WHOM THE VEHICLE IS REGISTERED INFORMING THE PERSON THAT THE VEHICLE'S REGISTRATION IS SUSPENDED. AFTER THE CIVIL PENALTY IS PAID IN FULL AND THE PROOF OF REPAIR IS SUBMITTED, THE PERSON TO WHOM THE VEHICLE IS REGISTERED MAY APPLY FOR REINSTATEMENT OF THE VEHICLE REGISTRATION ON THE PAYMENT OF APPLICABLE FEES PURSUANT TO SECTIONS 28-2003, 28-2352, 28-2402 AND 28-2481.

K. FOR A VEHICLE THAT IS NOT REGISTERED IN THIS STATE AND FOR WHICH A CIVIL PENALTY ASSESSED PURSUANT TO THIS SECTION HAS NOT BEEN PAID, THE DEPARTMENT OF TRANSPORTATION SHALL NOTIFY THE APPROPRIATE COOPERATING STATE AGENCY AS IF THE DRIVER HAD FAILED AND REFUSED TO PAY A FUEL TAX ASSESSED OR

APPORTIONED PURSUANT TO AN INTERSTATE AGREEMENT ESTABLISHED PURSUANT TO SECTION 28-404.

L. NOTICES OF VIOLATION AND CITATIONS ISSUED AND PENALTIES ASSESSED PURSUANT TO THIS SECTION ARE APPEALABLE AGENCY ACTIONS PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

M. ALL CIVIL PENALTIES COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE GENERAL FUND.

N. NOTWITHSTANDING ANY OTHER STATUTE, THE PENALTIES PRESCRIBED BY THIS SECTION ARE NOT SUBJECT TO ANY ADDITIONAL FEE OR SURCHARGE.

Sec. 11. Section 49-543, Arizona Revised Statutes, as amended by Laws 2000, chapter 193, section 579 and chapter 405, section 35, is amended to read:

49-543. Emissions inspection costs; disposition; fleet inspection; certificates

A. The director shall fix, regulate and alter in accordance with this section the fees required to be paid for the full costs of the vehicle emissions inspection program pursuant to this article including administration, implementation and enforcement.

~~B. For all the emissions inspections prior to the sixth registration year after purchase or lease of a new vehicle, the owner of the vehicle shall do one of the following:~~

~~1. Have the vehicle inspected pursuant to this article.~~

~~2. Pay a twenty-five dollar fee in area A and a nine dollar fee in area B. The owner shall pay this fee together with the registration fee for the vehicle to the registering officer. The registering officer shall deposit, pursuant to sections 35-146 and 35-147, these fees in the Arizona clean air fund established by section 41-1516. The registering officer may enter into an intergovernmental agreement with another department of this state to collect and deposit the fee. An owner who chooses to have an emissions inspection pursuant to this article is not required to pay the fee prescribed in this paragraph for that emissions test cycle.~~

~~C.~~ B. EXCEPT AS PROVIDED IN SECTION 49-542.05, the registration renewal notice required for the second through fifth registration year of a new vehicle shall include a notice to the vehicle owner that even though an emissions inspection test is not required pursuant to ~~subsection B of this section~~ SECTION 49-542, SUBJECTION J, PARAGRAPH 2, SUBDIVISION (d) the owner may choose to have an emissions inspection because of vehicle emissions performance warranty limitations on emissions components of the vehicle.

~~D.~~ C. The fees charged for official emissions inspection shall be uniform as applied to each class of vehicle which shall be defined by the director. Except for fees collected by the director pursuant to section 49-546, the inspection fees required to be paid pursuant to this article may be collected with the registration fee by the registering officer at the time and place of motor vehicle registration pursuant to title 28, chapter 7, article 5 and deposited, pursuant to sections 35-146 and 35-147, in the

emissions inspection fund in accordance with the rules adopted by the director or may be collected by the independent contractor at the time of inspection by means of an approved check or cash.

~~E.~~ D. Any person, except a person who has been issued a certificate of waiver pursuant to section 49-542, subsection L, whose vehicle has been inspected at an official emissions inspection station shall, if the vehicle was not found to comply with the minimum standards, have the vehicle repaired, including recommended repair or replacement of emissions control devices as a result of tampering, and have the right within sixty consecutive calendar days but not thereafter to return the vehicle for one reinspection without charge. The department may provide for additional reinspections without charge. A vehicle shall not be deemed to pass a reinspection unless the tampering discovered during the tampering inspection is repaired with new or reconditioned emissions control devices.

~~F.~~ E. The department shall issue certificates of inspection to owners of fleet emissions inspection stations. Each certificate shall be validated by the fleet emissions inspection stations in a manner required by the director at the time that each owner's fleet vehicle has been inspected or has passed inspection. The validated certificate of inspection shall indicate at the time of registration that the owner's fleet vehicle has been inspected and that the vehicle has passed inspection.

~~G.~~ F. The director shall fix an emissions inspection fee before inspection certificates may be issued to the owner of any fleet emissions inspection station. Such fee shall be uniform for each inspection certificate issued and shall be based upon the director's estimated costs to the state of administering and enforcing the provisions of this article as they apply to fleet emissions inspection stations and the vehicles inspected in fleet emissions inspection stations. The director shall deposit, pursuant to sections 35-146 and 35-147, all such monies collected by the director pursuant to this article in the emissions inspection fund.

Sec. 12. Repeal

Section 49-543, Arizona Revised Statutes, as amended by Laws 2000, seventh special session, chapter 1, section 24, is repealed.

Sec. 13. Section 49-544, Arizona Revised Statutes, is amended to read:

49-544. Emissions inspection fund; composition; authorized expenditures; exemptions; investment

A. An emissions inspection fund is established and is subject to legislative appropriation. The emissions inspection fund shall consist of:

1. Monies appropriated to the fund by the legislature.

~~2. All monies deposited pursuant to section 41-1516.~~

~~3.~~ 2. All monies collected pursuant to section 49-543, subsection A.

~~4.~~ 3. All monies collected by the director for the issuance of inspection certificates to owners of fleet emissions inspection stations.

~~5.~~ 4. Monies received from private grants or donations when so designated by the grantor or donor.

~~6.~~ 5. Monies received from the United States by grant or otherwise to assist the state in any emissions inspection program.

B. Monies in the emissions inspection fund may be used for the following:

1. Enforcement of the provisions of this article related to fleet emissions inspections, exemptions, and certificates of waiver.

2. Payment of contractual charges to independent contractors pursuant to section 49-545.

3. Costs to the state of administering the emissions inspection services performed by the independent contractor, including inspection station auditing, contractor training and certification, and motorist assistance.

4. Funding the state's portion of the catalytic converter program costs prescribed by section 49-542.

5. Through June 30, 2005, conducting research studies to evaluate the feasibility and effectiveness of emission system control technologies, including the repair of vehicles participating in the studies.

~~6. If deposited pursuant to section 41-1516, reducing the emissions inspection fees prescribed pursuant to section 49-543, subsection A.~~

~~7.~~ 6. Other costs of administering and enforcing the provisions of this article.

C. The department of environmental quality shall approve and provide for the payment of contractual charges to independent contractors and for enforcement of the provisions of this article related to fleet emissions inspections, exemptions and certificates of waiver.

D. Monies in the emissions inspection fund are exempt from the provisions of section 35-190, relating to lapsing of appropriations.

E. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

Sec. 14. Section 49-551, Arizona Revised Statutes, is amended to read:

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

A. Every person who is required to register a motor vehicle in this state pursuant to section 28-2153 shall pay, in addition to the registration fee, an annual air quality fee at the time of vehicle registration of one dollar fifty cents.

B. The registering officer shall collect the fees and immediately deposit, pursuant to sections 35-146 and 35-147, the air quality fees in the air quality fund established pursuant to subsection C of this section.

C. An air quality fund is established consisting of monies received pursuant to this section, gifts, grants and donations, and monies appropriated by the legislature. The department of environmental quality shall administer the fund. Monies appropriated for purposes prescribed by paragraph ~~6~~ 5 of this subsection and gifts, grants and donations designated for purposes prescribed by paragraph ~~6~~ 5 of this subsection shall be

accounted for in one separate account within the fund. Monies in the air quality fund shall be used, subject to legislative appropriation, for:

1. Air quality research, experiments and programs conducted by or for the department for the purpose of bringing area A or area B into attainment status, improving air quality in areas of this state outside area A or area B and reducing levels of particulate and ozone pollution both inside and outside of vehicle emissions control areas of this state.

~~2. Funding the Arizona clean air fund established by section 41-1516. The sum of two hundred fifty thousand dollars shall annually be transferred to the fund.~~

~~3.~~ 2. Determining the cause of visual air pollution in counties with a population of four hundred thousand persons or more according to the most recent United States decennial census.

~~4.~~ 3. Conducting the hazardous air pollutants research program and preparing the report as prescribed by section 49-426.08.

~~5.~~ 4. Developing and adopting rules in compliance with sections 49-426.03, 49-426.04, 49-426.05 and 49-426.06.

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

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

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

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

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

Sec. 15. Title 49, chapter 3, article 5, Arizona Revised Statutes, is amended by adding sections 49-558 and 49-558.01, to read:

49-558. Voluntary accelerated purchase of tier 2 and 3 equipment; definition

A. ANY PERSON OR ENTITY MAY PURCHASE NONROAD EQUIPMENT THAT MEETS TIER 2 OR TIER 3 STANDARDS OR MAY RETROFIT EXISTING EQUIPMENT TO MEET TIER 2 OR TIER 3 STANDARDS IN AREA A OR AREA B AND MAY SEND DOCUMENTATION REGARDING THE PURCHASE OR RETROFIT OF THE EQUIPMENT TO THE DEPARTMENT. THE DEPARTMENT SHALL IDENTIFY ON ITS INTERNET WEB SITE THOSE PERSONS OR ENTITIES THAT SUBMIT DOCUMENTATION PURSUANT TO THIS SECTION. IF POSSIBLE, THE INFORMATION ON THE WEB SITE SHALL INCLUDE ESTIMATES ON THE REDUCTIONS IN EMISSIONS OF CONVENTIONAL POLLUTANTS AND IMPROVEMENTS TO VISIBILITY IN AREA A AND AREA B THAT RESULT FROM THE VOLUNTARY PURCHASE OR RETROFIT OF EQUIPMENT THAT MEETS TIER 2 OR TIER 3 STANDARDS.

B. THE DEPARTMENT SHALL COOPERATE WITH MANUFACTURERS, DISTRIBUTORS AND SELLERS OF EQUIPMENT THAT MEETS TIER 2 OR TIER 3 STANDARDS TO DETERMINE THE EXTENT OF AVAILABILITY AND USE OF TIER 2 OR TIER 3 EQUIPMENT IN AREA A AND AREA B AND SHALL PROVIDE INFORMATION ON AVAILABILITY TO POTENTIAL PURCHASERS OF THAT EQUIPMENT.

C. FOR PURPOSES OF THIS SECTION:

1. "TIER 2 OR TIER 3 EQUIPMENT" MEANS EQUIPMENT THAT MEETS TIER 2 OR TIER 3 STANDARDS.

2. "TIER 2 OR TIER 3 STANDARDS" MEANS THE TIER 2 OR TIER 3 EMISSIONS STANDARDS FOR NONROAD ENGINES THAT ARE ESTABLISHED IN 40 CODE OF FEDERAL REGULATIONS SECTION 89.112, AS AMENDED ON OCTOBER 23, 1998.

49-558.01. Voluntary implementation of ultra low sulfur diesel fuel; definition

A. ANY PERSON OR ENTITY MAY USE ULTRA LOW SULFUR DIESEL FUEL IN VEHICLES THAT ARE RETROFITTED WITH OXIDATION CATALYSTS AND PARTICULATE FILTERS IN THEIR FLEETS IN AREA A OR AREA B AND MAY SEND DOCUMENTATION ON THE USE OF THE FUEL TO THE DEPARTMENT. THE DEPARTMENT SHALL IDENTIFY ON ITS INTERNET WEB SITE THOSE PERSONS OR ENTITIES THAT SUBMIT DOCUMENTATION PURSUANT TO THIS SECTION. IF POSSIBLE, THE INFORMATION ON THE WEB SITE SHALL INCLUDE ESTIMATES ON THE REDUCTIONS IN EMISSIONS OF CONVENTIONAL POLLUTANTS AND IMPROVEMENTS TO VISIBILITY IN AREA A AND AREA B THAT RESULT FROM THE VOLUNTARY USE OF ULTRA LOW SULFUR DIESEL FUEL.

B. THE DEPARTMENT SHALL COOPERATE WITH MANUFACTURERS, DISTRIBUTORS AND SELLERS OF ULTRA LOW SULFUR DIESEL FUEL AND EQUIPMENT FOR RETROFITTING DIESEL VEHICLES WITH OXIDATION CATALYSTS AND PARTICULATE FILTERS TO DETERMINE THE EXTENT OF AVAILABILITY AND USE OF THE FUEL AND EQUIPMENT IN AREA A AND AREA B AND SHALL PROVIDE INFORMATION ON AVAILABILITY TO POTENTIAL PURCHASERS OF THE EQUIPMENT.

C. FOR PURPOSES OF THIS SECTION, "ULTRA LOW SULFUR DIESEL FUEL" MEANS FUEL THAT MEETS THE HIGHWAY DIESEL FUEL SULFUR CONTROL REQUIREMENTS PURSUANT

TO RULES ADOPTED BY THE ADMINISTRATOR IN FEDERAL REGISTER VOLUME 66, NUMBER 12 ON JANUARY 18, 2001.

Sec. 16. Section 49-965, Arizona Revised Statutes, is amended to read:

49-965. Pollution prevention technical assistance program

A. The department shall establish a technical assistance program designed to assist all persons in reducing to the fullest extent possible the amount and toxicity of the hazardous waste that is generated or toxic substances that are used in this state. The assistance program may include:

1. The establishment of a hazardous waste reduction clearinghouse of all available information concerning hazardous waste reduction, toxic substances minimization, recycling programs, economic and energy savings, and production and environmental improvements.

2. The production of workshops, conferences and handbooks on the topics described in paragraph 1 of this subsection.

3. Cooperation with university programs to develop hazardous waste reduction and toxic substances minimization curricula and training.

4. Presentation of on-site technical assistance for hazardous waste generators and toxic substances users.

5. Researching and recommending incentive programs for innovative hazardous waste management and toxic substances reduction.

6. Conducting a public education program to reduce emissions of ozone forming substances and accelerate pollution prevention technical assistance efforts to avoid ozone violations.

B. Presentation of on-site technical assistance by the department in accordance with subsection A of this section shall not be considered engineering practice as defined in section 32-101 as long as the assistance does not involve engineering calculations or design in connection with any building, machine, equipment, process, work or project and is limited to assisting in the identification of pollution prevention opportunities and potential alternatives to existing processes or practices.

C. Persons receiving on-site technical assistance pursuant to this section are solely liable for any civil or other damages arising from on-site technical assistance. This state and the department, its officers, employees and agents and any other persons assisting in providing on-site technical assistance are not liable for any civil or other damages arising from the on-site technical assistance, including damages claimed by third parties.

D. The technical assistance program shall be funded from monies allocated from the hazardous waste management fund as prescribed in section 49-927, except that the portion of the program prescribed by subsection A, paragraph 6 of this section shall be funded from monies allocated from the air quality fund as prescribed in section 49-551. Notwithstanding section 49-551, subsection C, paragraph ~~6~~ 5, priority for funding shall be given to the portion of the program prescribed by subsection A, paragraph 6 of this section.

Sec. 17. Vehicle emissions inspection program; compliance date

Vehicles that are subject to the vehicle emissions inspection program and that have been included within the amended boundaries of area A as defined in section 49-541, Arizona Revised Statutes, as amended by this act, shall comply with title 49, chapter 3, article 5, Arizona Revised Statutes, beginning from and after December 31, 2001.

Sec. 18. Area A expansion; compliance date; air quality programs

A. Notwithstanding section 17 of this act and section 49-541, paragraph 1, Arizona Revised Statutes, as amended by this act, relating to the geographical definition of area A, all air quality measures and programs added or modified by this act that are not listed in subsection B of this section are effective from and after December 31, 2001.

B. Cities, counties and school districts that have been included within the boundaries of area A shall comply with the provisions of section 9-500.04, subsections C through G, section 15-349 and section 49-474.01, subsections C through E, Arizona Revised Statutes, relating to the conversions of fleet vehicles to alternative fuels according to the following schedule:

1. At least eighteen per cent of the total fleet by December 31, 2003.
2. At least twenty-five per cent of the total fleet by December 31, 2004.
3. At least fifty per cent of the total fleet by December 31, 2006.
4. At least seventy-five per cent of the total fleet by December 31, 2008.

Sec. 19. Roadside diesel testing pilot program; study; diesel vehicle emissions testing study committee; report

A. The director of the department of environmental quality shall administer a pilot program for the emissions testing of diesel vehicles with a gross vehicle weight rating of more than ten thousand pounds, including diesel vehicles that are registered pursuant to title 28, chapter 7, article 7 or 8, Arizona Revised Statutes. The department shall offer interested contractors the opportunity to participate in the pilot program as a prerequisite for participation in the procurement process for the diesel testing program that is established pursuant to section 49-542.06, Arizona Revised Statutes, as added by this act. The pilot program shall include actual operation of diesel vehicle testing for at least a three week period in a manner that demonstrates the technology used for screening potential polluters, the development and use of appropriate systems to demonstrate actual test times and testing volume capabilities, evaluation of the use of various screening cut points, database management and record keeping procedures, including cooperation with the department of transportation, and general program and fiscal management.

B. Participants in the diesel vehicle emissions testing pilot program shall not be paid a fee for any testing performed pursuant to the pilot program, and the pilot program participants shall maintain ownership of any

technology or processes used by that participant in the pilot program. The department of environmental quality shall collect the data generated by the participants in the pilot program and shall prepare a report on the various processes and procedures used by the program participants, including the feasibility of a civil penalty system. The department shall submit that report to the diesel vehicle emissions testing study committee established pursuant to subsection C of this section.

C. The diesel vehicle emissions testing study committee is established consisting of the following persons:

1. Four members of the house of representatives who are appointed by the speaker of the house of representatives, no more than three of whom are members of the same political party.

2. Four members of the senate who are appointed by the president of the senate, no more than two of whom are members of the same political party.

3. The director of the department of environmental quality or the director's designee.

4. Two representatives of the trucking industry, one of whom is appointed by the speaker of the house of representatives and one of whom is appointed by the president of the senate.

D. By September 30, 2002, the diesel vehicle emissions testing study committee shall submit a report on its recommendations to the governor, the president of the senate and the speaker of the house of representatives and shall transmit a copy to the director of the Arizona state library, archives and public records and the secretary of state.

Sec. 20. Visibility index; interim goals; definition

A. On or before December 31, 2003, the director of the department of environmental quality shall establish a daily visibility index to be used in evaluating and reporting current visibility conditions and progress toward visibility improvement goals in area A, as defined in section 49-541, Arizona Revised Statutes. The visibility index shall be based on the results of a public survey of a representative cross-section of residents in area A. The survey shall address what visual air qualities are desirable, what visual range is acceptable and how often the visual air qualities and acceptable visual range should be expected to occur.

B. Until the establishment of the visibility index required by subsection A of this section, the director of the department of environmental quality shall use the number of blue sky days that occur during the year as an interim method for evaluating and reporting current visibility conditions and progress toward visibility improvement goals in area A. The target number of blue sky days is two hundred fifty in 2001, two hundred sixty in 2002 and two hundred seventy-five in 2003. The director shall periodically publish reports on the number of blue sky days that have occurred during the calendar year to date and compare that number to the targets established by this subsection.

C. The visibility index established by the department of environmental quality pursuant to this section shall be used for the purposes of visibility improvement goals under the sole jurisdiction of the department of environmental quality and shall not constitute a standard for the purposes of section 49-424, paragraph 4, Arizona Revised Statutes, or for the purpose of establishing emission limitations in permits issued by the director of the department of environmental quality or a control officer as defined by section 49-471, Arizona Revised Statutes.

D. For purposes of this section, "blue sky day" means a day during which the six-hour average visible range as measured by the transmissometers that are operated by the department of environmental quality in area A is twenty-five miles or more.

Sec. 21. Voluntary programs; construction programs; electrical service; generators; status report

From and after September 1, 2001 through August 31, 2006, public electric service corporations and public power entities as defined in title 30, chapter 6, Arizona Revised Statutes, and municipal corporations serving electricity to commercial, industrial and residential customers shall participate in voluntary programs in area A, as defined in section 49-541, Arizona Revised Statutes, in conjunction with commercial, industrial and residential construction contractors and subcontractors, to identify viable sources of electric power to reduce the use of gasoline and diesel powered generators. A written status report compiled by the entities participating in the voluntary programs shall be submitted February 1, 2003 and February 1, 2004 to the governor, the president of the senate, the speaker of the house of representatives and the director of the Arizona state library, archives and public records.

Sec. 22. Committee of reference study of air quality control measure programs; recommendations; report date

A. The committee of reference of the house of representatives committee on environment and the committee of reference of the senate natural resources, agriculture and environment committee shall review state air quality control measure programs and funding sources and shall make recommendations to the governor, the president of the senate and the speaker of the house of representatives on the following issues:

1. The future of the Arizona clean air fund, established pursuant to section 41-1516, Arizona Revised Statutes, relating to funding sources and the types of programs funded.

2. The future of the air quality fund established pursuant to section 49-551, Arizona Revised Statutes, relating to the funding sources and the types of programs funded.

3. The entity or entities responsible for the administration of state air quality control measure funding programs.

4. The criteria or assessment tools used to determine state air quality control measures to be funded.

5. The use of a performance standard for state air quality control measures.

6. State alternative fuel mandates for government fleets.

7. Recent expansions to area A and the effects of those expansions on service levels at emissions testing stations, driving distances for users from those areas, and the cost-effectiveness of providing services to users from those areas.

8. Any effects of statutory restrictions on pricing that are imposed on recipients of delivery system grants from the Arizona clean air fund.

9. Other related matters to state air quality control measure programs.

B. The committees shall report their recommendations no later than December 14, 2001 to the entities listed in subsection A of this section, the secretary of state and the director of the Arizona state library, archives and public records.

Sec. 23. Arizona clean air fund; program funding; transfer of monies

A. Notwithstanding section 41-1516, Arizona Revised Statutes, monies in the Arizona clean air fund established pursuant to section 41-1516, Arizona Revised Statutes, shall be distributed as follows:

1. The following sums shall be transferred in fiscal year 2001-2002 to the department of environmental quality for the following air quality programs:

(a) The sum of $400,000 is transferred for deposit in the voluntary vehicle repair and retrofit program fund established by section 49-474.03, Arizona Revised Statutes.

(b) The sum of $200,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for purposes of funding a roadside diesel emissions testing program including a diesel vehicle emissions testing pilot program.

(c) The sum of $125,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality to assist political subdivisions in preparing and implementing ordinances for section 11-877, Arizona Revised Statutes, as added by this act, and for other activities that may be required by the expansion of area A pursuant to section 49-541, Arizona Revised Statutes.

(d) The sum of $450,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for the purpose of developing a visibility index pursuant to this act.

(e) The sum of $300,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for the purpose of

providing support and assisting in the development of an emissions cap and trading program for sources of particulate matter, oxides of nitrogen and oxides of sulfur in area A, as defined in section 49-541, Arizona Revised Statutes.

2. The remaining monies shall be apportioned as follows in fiscal year 2001-2002:

(a) $5,500,000 for the conversion of diesel vehicles grants program pursuant to section 41-1516, subsections H, I and J, Arizona Revised Statutes, as amended by this act.

(b) $1,125,000 for the delivery system grants program pursuant to section 41-1516, subsection E, Arizona Revised Statutes, as amended by this act. The priority for the grants shall be for not more than five delivery systems in area A as defined in section 49-541, Arizona Revised Statutes, not more than two delivery systems in area B as defined in section 49-541, Arizona Revised Statutes, and one delivery system in Casa Grande.

3. The following sums shall be transferred in fiscal year 2002-2003 to the department of environmental quality for the following air quality programs:

(a) The sum of $2,600,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated for deposit in the voluntary vehicle repair and retrofit program fund established by section 49-474.03, Arizona Revised Statutes.

(b) The sum of $200,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for purposes of funding a roadside diesel emissions testing program including a diesel vehicle emissions testing pilot program.

(c) The sum of $300,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for the purpose of developing a visibility index pursuant to this act.

(d) The sum of $300,000 is transferred for deposit in the air quality fund established by section 49-551, Arizona Revised Statutes, and is appropriated to the department of environmental quality for the purpose of providing support and assisting in the development of an emissions cap and trading program for sources of particulate matter, oxides of nitrogen and oxides of sulfur in area A, as defined in section 49-541, Arizona Revised Statutes.

4. The remaining monies shall be apportioned as follows in fiscal year 2002-2003:

(a) $6,500,000 for the conversion of diesel vehicles grants program pursuant to section 41-1516, subsections H, I and J, Arizona Revised Statutes, as amended by this act.

(b) $1,800,000 for the delivery system grants program pursuant to section 41-1516, subsection E, Arizona Revised Statutes, as amended by this

act. The priority for the grants shall be for not more than five delivery systems in area A as defined in section 49-541, Arizona Revised Statutes, not more than two delivery systems in area B as defined in section 49-541, Arizona Revised Statutes, and one delivery system in Casa Grande.

B. If the monies generated by fees established pursuant to section 49-543, subsection B, paragraph 2, Arizona Revised Statutes, do not generate at least $11,700,000 in either fiscal year 2001-2002 or 2002-2003, the sums apportioned pursuant to this section shall be reduced proportionately.

C. The monies allocated pursuant to subsection A of this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 24. Appropriations; purpose

Notwithstanding section 49-551, Arizona Revised Statutes, the sum of $250,000 is appropriated in each of fiscal years 2001-2002 and 2002-2003 from the air quality fund established by section 49-551, Arizona Revised Statutes, to the department of environmental quality for purposes prescribed by section 49-551, subsection C, paragraphs 1 and 2, Arizona Revised Statutes, as amended by this act. The appropriations made pursuant to this section are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 25. Eligibility for heavy-duty diesel grants; requirements

Notwithstanding section 41-1516, Arizona Revised Statutes, as amended by this act, an applicant who documents to the satisfaction of the department of commerce that they had a contract or purchase order entered into before October 20, 2000 for the conversion or replacement of a diesel vehicle over nineteen thousand five hundred pounds gross vehicle weight rating to operate on alternative fuel is eligible for a grant from the Arizona clean air fund pursuant to section 41-1516, Arizona Revised Statutes, as amended by Laws 2000, seventh special session, chapter 1, section 8, without meeting the criteria set forth in section 41-1516, subsections H and K, Arizona Revised Statutes, as amended by this act. Grants pursuant to this section shall not exceed $6,500,000. The department shall award grants in the order of the date of the contract or purchase order entered into by the applicant. If there is a situation in which applicants have contracts or purchase orders with the same date and the grant money is insufficient to provide grants to all of the applicants, grant recipients shall be determined by a random selection method as prescribed in rules. Applicants who do not receive a grant pursuant to this section remain eligible for a grant if they meet the requirements of section 41-1516, Arizona Revised Statutes, as amended by this act.

Sec. 26. Retroactive application

Sections 28-2416, 41-1515, 41-1516 and 49-551, Arizona Revised Statutes, as amended by this act, apply retroactively to from and after June 30, 2001.

Sec. 27. Effective date

A. Sections 49-543 and 49-544, Arizona Revised Statutes, as amended by this act, are effective from and after June 30, 2003.

B. Sections 49-542.06 and 49-542.07, Arizona Revised Statutes, as added by this act, are effective from and after June 30, 2003.

Sec. 28. Delayed repeal

Section 41-1516, Arizona Revised Statutes, as amended by this act, is repealed from and after June 30, 2003.

Sec. 29. Repeal

Section 49-541.01, Arizona Revised Statutes, as added by Laws 1999, chapter 298, section 2, is repealed.

Sec. 30. Repeal

Laws 1999, chapter 298, section 8, as amended by Laws 2000, chapter 404, section 8, is repealed.

Sec. 31. Repeal

Section 19 of this act, relating to the diesel vehicle emissions testing pilot program and study committee, is repealed on February 1, 2003.

Sec. 32. Arizona clean air fund transfer

Notwithstanding any other law, no more than $1,000,000 shall be transferred in fiscal year 2000-2001 pursuant to Laws 1996, seventh special session, chapter 6, section 44, subsection A. Any amount already transferred in excess of the $1,000,000 in fiscal year 2000-2001 shall be transferred from the Arizona clean air fund established by section 41-1516, Arizona Revised Statutes, to the state general fund for obligations enacted by the forty-fifth legislature, first regular session.

Sec. 33. Retroactivity

Section 32 of this act is effective retroactively to from and after June 30, 2000.

APPROVED BY THE GOVERNOR MAY 7, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2001.

Passed the House March 22, 2001,

by the following vote: 48 Ayes,

6 Nays, 6 Not Voting

Jake Flake
Speaker of the House
Pro Tempore

Norman L. Moore
Chief Clerk of the House

Passed the Senate April 27, 2001,

by the following vote: 24 Ayes,

5 Nays, 1 Not Voting

President of the Senate

Norma Lowe
Asst. Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20___,

at _____ o'clock _____ M.

_____
Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

_____
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this _____ day of _____, 20___,

at _____ o'clock _____ M.

_____
Secretary of State

H.B. 2538

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 02, 2001,

by the following vote: 43 Ayes,

13 Nays, 4 Not Voting

John Flake
Speaker of the House

Norman L. Moore
Pro Tempore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

2 day of May, 2001,

at 1:10 o'clock P M.

Sandra Ramsey
Secretary to the Governor

Approved this 7 day of

May, 2001,

at 3:22 o'clock P M.

Jane Dee Hull
Governor of Arizona

H.B. 2538

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 8 day of May, 2001,

at 2:35 o'clock P M.

Betsey Bayless
Secretary of State