

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 3, 2015

Agency Submitting: State Department of Conservation and Natural Resources, Division of Environmental Protection

| Items of Revenue or Expense, or Both | Fiscal Year 2014-15 | Fiscal Year 2015-16 | Fiscal Year 2016-17 | Effect on Future Biennia |
|---|------------------------|------------------------|------------------------|-----------------------------|
| | | | | |
| Total | 0 | 0 | 0 | 0 |

Explanation

(Use Additional Sheets of Attachments, if required)

As drafted, this bill proposes to reduce the frequency of required vehicle emissions testing by extending the exemption period so that light-duty vehicles that are 4 model years old or newer (6 model years for hybrid electric vehicles) are exempt from the emissions testing program. The bill also proposes to require emissions testing for light-duty vehicles not more than every two years in place of the current annual testing requirement and doubles the fee for an emissions certificate from \$6 to \$12. The bill also continues the requirement that a fee of \$6 be assessed upon the first issuance of special license plates for classic vehicles that are exempt from emission testing.

Certain fees related to these inspections are deposited in the DMV Pollution Control Account and are allocated according to the priority system established in NRS445B.830. Local air pollution control agencies in nonattainment or maintenance areas receive one-sixth of the amount received for forms issued in that county. Then money is distributed to DMV, followed by the DCNR-NDEP. The Department of Agriculture is third on the list, followed by local air pollution control agencies, and finally, the Tahoe Regional Planning Agency. Currently, fee revenue is sufficient to support DMV expenses, provide \$2 million per year to the Division of Environmental Protection for Air Pollution Control programs and provide limited support to the remaining agencies identified in NRS 445B.830.

If this bill were enacted and given the assumption that one half of the light duty-vehicles subject to testing requirements would be tested in the first year of the biennium and the other half in the second year, NDEP estimates a loss of revenue to the DMV Pollution Control Account of \$ 1.3 million per year. Given the DCNR-NDEP's position on the priority list, however, the NDEP does not anticipate a significant loss of revenue, but the actual fiscal impact, depends upon the size of DMV's budget request.

Name Adele Basham

Title Bureau Chief

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, February 23, 2015

The agency's response appears reasonable.

Name Julia Teska

Title Director