

Department of Planning and Budget 2024 Fiscal Impact Statement

1. **Bill Number:** HB 884H1

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|------------------------|-------------------------------------|--------------|-------------------------------------|------------|-------------------------------------|-----------|
| House of Origin | <input type="checkbox"/> | Introduced | <input checked="" type="checkbox"/> | Substitute | <input checked="" type="checkbox"/> | Engrossed |
| Second House | <input checked="" type="checkbox"/> | In Committee | <input type="checkbox"/> | Substitute | <input type="checkbox"/> | Enrolled |

2. **Patron:** Watts

3. **Committee:** Transportation

4. **Title:** Vehicle exhaust systems; inspection and administrative fee.

5. **Summary:** Prohibits passenger vehicle exhaust systems from emitting noise in excess of 95 decibels in Planning District 8 on any highway; driveway or premises of a church, school, recreational facility, or business; any governmental property open to the public; any industrial establishment providing parking space for customers, patrons, or employees; and any highway under construction or not yet open to the public.

The bill allows, in Planning District 8, a law-enforcement officer to stop a passenger vehicle he determines is emitting exhaust system noise in excess of such limit and issue a notice of an administrative fee of \$250 to be assessed at the time of the vehicle's next registration renewal and establishes a process for inspecting such vehicle. The bill places requirements on the Department of Environmental Quality related to these inspections and authorizes the Department to enter into a contract with any other entity that is authorized to conduct such inspections and report relevant information. Additionally, the bill requires the Department of Environmental Quality to develop a program for inspecting vehicle exhaust system noise consistent with the provisions of this bill. The bill requires the Department of Criminal Justice Services to develop and implement training for law-enforcement officers to recognize vehicles emitting exhaust system noise in excess of the limits permitted by statute and to create and implement the use of a notice of the administrative fee required this this bill.

This bill has a contingent effective date of January 1, 2025, provided that the Department of Environmental Quality has received the necessary funding to supply the necessary equipment for such vehicle exhaust system inspections to inspection stations. The bill sunsets on July 1, 2027.

6. **Budget Amendment Necessary:** Yes, Items 364 and 391 of HB/SB30.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8 for additional information.

7a. Expenditure Impact: Department of Motor Vehicles

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-----------------|
| 2025 | \$193,675 | - | Nongeneral Fund |
| 2026 | - | - | Nongeneral Fund |
| 2027 | - | - | Nongeneral Fund |
| 2028 | - | - | Nongeneral Fund |
| 2029 | - | - | Nongeneral Fund |
| 2030 | - | - | Nongeneral Fund |

7a. Expenditure Impact: Department of Criminal Justice Services

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|--------------|
| 2025 | \$30,000 | - | General Fund |
| 2026 | - | - | - |
| 2027 | - | - | - |
| 2028 | - | - | - |
| 2029 | - | - | - |
| 2030 | - | - | - |

7a. Expenditure Impact: Department of Environmental Quality

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|--------------|
| 2025 | \$300,000 | - | General Fund |
| 2026 | \$300,000 | - | General Fund |
| 2027 | \$300,000 | - | General Fund |
| 2028 | \$300,000 | - | General Fund |
| 2029 | \$300,000 | - | General Fund |
| 2030 | \$300,000 | - | General Fund |

7b. Revenue Impact: Indeterminate

- 8. Fiscal Implications:** The agencies impacted by this legislation provided the following feedback on fiscal implications.

Department of Motor Vehicles

The Department of Motor Vehicles (DMV) estimates one-time costs of between \$178,425 and \$193,675 in FY25 for programming, depending on the connection established to receive information about noise violation citations from law enforcement. DMV notes that this estimate does not account for the cost of any other state agency or local law enforcement agency to collect and transmit the necessary data. This bill may also increase the number of proceedings by the DMV Hearing Office, which average \$1,119 per proceeding. If there is a significant increase in the number of cases, that could require hiring an additional full-time hearing officer position. The additional cost for DMV to hire another full-time hearing officer is approximately \$115,761 in annual salary and benefit expenses, and DMV would require an increase in its maximum employment level for one position. DMV anticipates that these additional costs will be absorbed within its existing budget.

The bill requires DMV to collect a \$250 administrative fee at the time of vehicle registration renewal for any vehicle in violation of the exhaust system noise limits prescribed by the bill,

but it does not specify the fund to receive this fee. Any administrative fees collected as a result of this bill will result in an indeterminate revenue impact.

Department of Criminal Justice Services

The bill requires the Department of Criminal Justice Services (DCJS) to develop and implement training for law-enforcement officers to recognize vehicle exhaust systems emitting noise in excess of the limits outlined in this bill. To meet the requirements of this bill, DCJS will need contract with consultants and subject matter experts to develop the training standards and curriculum related to vehicle exhaust system noise emittance. DCJS anticipates an additional one-time cost of \$30,000 general fund in FY25 for consultants/subject matter experts.

At current staffing levels, DCJS can handle the additional workload of developing new training standards and/or model policies in up to one or two subject areas. However, there are several bills under consideration that require DCJS to develop additional new training standards and/or model policies. Should more than two of these bills be enacted, DCJS would require additional staff in order to develop the training standards and/or model policies required by these bills.

Department of Environmental Quality

The bill requires that the Department of Environmental Quality (DEQ) conduct inspections of exhaust system noise for vehicles that have been identified by law enforcement as potentially in excess of limits permitted in the bill. The bill allows DEQ to enter into a contract or agreement with an agency or vendor to conduct such inspections, report any relevant information, designate station locations, provide the equipment necessary, and provide for the inspection of the stations. Based on a quote obtained by DEQ for these tasks in Planning District 8, the agency estimates an additional cost of \$300,000 general fund annually beginning in FY25 to contract the tasks required by the bill.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Department of Environmental Quality and the Department of Criminal Justice Services.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** DCJS notes that the training standards requirements included in this bill are subject to the Administrative Process Act (APA). The process can take 18-24 months and the sunset date of July 1, 2027, would present a challenge.