

## These are the 8 states that DEQ used as comparisons in its cost-effectiveness report to the Environmental Quality Commission and the Legislature

		Tests Performed at Test-Only Facilities "Centralized Programs"	Dynamometers Still in Use	Safety Inspections	Fee
States with programs comparable to Oregon's	Tucson, Arizona	Stations are open 6 days per week for 64 hours			\$12.25
	Maryland	Stations are open 6 days per week for 56 hours			\$14.00
	Washington	Stations are open 6 days per week for 49 hours			\$15.00
	Tennessee	Stations are open 6 days per week for 54 hours			\$18.00
<b>Oregon</b>		Stations are open 5 days per week for 42 hours			\$25.00
States with programs <i>not</i> comparable to Oregon's	Colorado	Stations are open 5 days per week for 50 hours			\$25.00
	Indiana	Stations are open 5 days per week for 40 hours			\$23.83
	Phoenix, Arizona	Stations are open 6 days per week for 64 hours			\$20.35
	Washington DC	Stations are open 5 days per week for 39 hours			\$35.00

Comparables' Average Fee is \$14.81

If you have any additional questions contact Paul Cosgrove: 503-799-5679

**468A.365 Certification of motor vehicle pollution control systems and inspection of motor vehicles; rules.** The Environmental Quality Commission shall:

(1) Determine and adopt by rule criteria for certification of motor vehicle pollution control systems. In determining the criteria the commission shall consider the following:

(a) The experience of any other state or the federal government;

(b) The cost of the system and of its installation;

(c) The durability of the system;

(d) The ease of determining whether the system, when installed on a motor vehicle, is functioning properly; and

(e) Any other factors which, in the opinion of the commission, render such a system suitable for the control of motor vehicle air pollution or for the protection of the health, safety and welfare of the public.

(2) Prescribe by rule the manner in which a motor vehicle pollution control system shall be tested for certification. The rules may prescribe a more rigorous inspection procedure in the areas designated under ORS 815.300 (2)(a), including any expansion of such boundary under ORS 815.300 (2)(b), in order to reduce air pollution emissions in those areas of the state. No such rule shall require testing for certification more often than once during the period for which registration or renewal of registration for a motor vehicle is issued. No rule shall require testing for certification of a motor vehicle that is exempted from the requirement for certification under ORS 815.300.

(3) Issue certificates of approval for classes of motor vehicle pollution control systems which, after being tested by the commission or by a method acceptable to the commission, the commission finds meet the criteria adopted under subsection (1) of this section.

(4) Designate by rule classifications of motor vehicles for which certified systems are available.

(5) Revoke, suspend or restrict a certificate of approval previously issued upon a determination that the system no longer meets the criteria adopted under subsection (1) of this section pursuant to procedures for a contested case under ORS chapter 183.

(6) Designate suitable methods and standards for testing systems and inspecting motor vehicles to determine and insure compliance with the standards and criteria established by the commission.

(7) Except as provided in ORS 468A.370, **contract for the use of or the performance of tests** or other services within or without the state. [Formerly 468.375; 1993 c.791 §3]

**468A.370 Cost-effective inspection program; contracts for inspections.** The Environmental Quality Commission shall **determine the most cost-effective method** of conducting a motor vehicle pollution control system inspection program as required by ORS 468A.365. Upon finding that savings to the public and increased efficiency would result and the quality of the program would be adequately maintained, the commission may contract with a unit of local government or with a private individual, partnership or corporation authorized to do business in the State of Oregon, for the performance of tests or other services associated with conducting a motor vehicle pollution control system inspection program. [Formerly 468.377]

**468A.400 Fees; collection; use.** (1) The Department of Environmental Quality shall:

(a) Establish and collect fees for application, examination and licensing of persons, equipment, apparatus or methods in accordance with ORS 468A.380 and within the following limits:

(A) The fee for licensing shall not exceed \$5.

(B) The fee for renewal of licenses shall not exceed \$1.

(b) Establish fees for the issuance of certificates of compliance. The department may classify motor vehicles and establish a different fee for each such class. The fee for the issuance of certificates shall be established by the Environmental Quality Commission in an amount based upon the costs of administering this program. **Before establishing the fees, the commission shall determine the most cost effective program consistent with Clean Air Act requirements for each area of the state pursuant to ORS 468A.370.**

(2) The department shall collect the fees established pursuant to subsection (1)(b) of this section at the time of the issuance of certificates of compliance as required by ORS 468A.380 (2)(c).

(3) On or before the 15th day of each month, the commission shall pay into the State Treasury all moneys received as fees pursuant to subsections (1) and (2) of this section during the preceding calendar month. The State Treasurer shall credit such money to the Department of Environmental Quality Motor Vehicle Pollution Account, which is hereby created. The moneys in the Department of Environmental Quality Motor Vehicle Pollution Account are continuously appropriated to the department to be used by the department solely or in conjunction with other state agencies and local units of government for:

(a) Any expenses incurred by the department and, if approved by the Governor, any expenses incurred by the Department of Transportation in the certification, examination, inspection or licensing of persons, equipment, apparatus or methods in accordance with the provisions of ORS 468A.380 and 815.310.

(b) Such other expenses as are necessary to study traffic patterns and to inspect, regulate and control the emission of pollutants from motor vehicles in this state.

(4) The Department of Environmental Quality may enter into an agreement with the Department of Transportation to collect the licensing and renewal fees described in subsection (1)(a) of this section subject to the fees being paid and credited as provided in subsection (3) of this section. [Formerly 468.405; 1993 c.18 §122; 1993 c.791 §4]

## Review of Information that DEQ Uses to Compare Itself to VIP Programs Across the Country

### **1. DEQ emphasizes the uniqueness of providing DEQ/DMV one-stop-shopping.**

Other states provide the same one-stop-shopping service and those states use contractors. So a contractor could continue this service, which is what DEQ proposed when it last issued an RFP in 2002.

### **2. DEQ states that Washington's fee hasn't been updated since its 2005 phase-out law.**

Washington DOE entered into an updated contract in 2011 which companies bid on knowing fully well that the program was being phased-out. The contract was extended as recently as 2017 at the same fee level. So Washington's \$15 fee is directly comparable to Oregon's 60% higher, \$25 fee.

### **3. DEQ states that fee-funded states that receive extra funding beyond fees (General Fund) can't be compared to Oregon.**

DEQ receives an extra \$1,400,000 beyond its \$25 vehicle emissions fee. Washington is not receiving extra money - there is only the \$15 fee; \$3 of which goes to the State of Washington which then gives the Department of Ecology an equivalent appropriation to spend on contractor oversight.

### **4. DEQ states that programs using dynamometers can still be compared to Oregon because the extra cost for dynamometers is minimal.**

The historical fee difference between Portland (\$21 dynes) and Medford (\$10 no dynes) is double the cost. Arizona has a similar fee difference: Phoenix (\$20.35 dynes) and Tucson (\$12.25 no dynes); there is no basis for the statement that Arizona only charges \$1 extra dollar for dyne testing. Dyne programs have higher costs such as the lanes must be built so the rollers can be beneath ground, the roller equipment is expensive, the test requires more staff per test, the tests take much longer to perform, the equipment has to be running at all times requiring far more expensive calibration/maintenance, and dyne testing takes far more costly software development.

### **5. DEQ states that Oregon's unlimited free retesting must be factored into any fee comparison.**

95% of vehicles tested in Oregon don't need a retest because they pass on their first try which is similar results in all other states. So any fee difference from one state to the next would be minor. And a contractor could continue Oregon's practice of free retesting as contractors already do for some other states that provide some free retesting.

### **6. DEQ states that Oregon's remote testing must be factored into any fee comparison.**

DEQ states that its remote testing is minimal at only 4.5% of all the tests it conducts. But if it were factored in, Oregonians pay an average of \$45 to remote test which makes for an even greater fee difference between Oregon and its comparable states (AZ, MD, WA & TN charge an average fee of \$14.81). And a contractor could operate Oregon's remote testing program like some states are asking prospective contractors to do.

**In sum, the only way to determine the "most" cost-effective method, as required by law, is to evaluate all the methods in use across the country. Over 90% of states use contractors, but DEQ's evaluation of other states is limited to a fee-comparison, highlighting what makes Oregon unique. Oregon does have some excellent and unique features, but so do others and the only ones most comparable to Oregon are MD, WA, TN and Tucson, AZ; all of which have lower fees than Oregon's \$25, including a fee of \$12.25. The only way to properly evaluate if Oregon's method is more or less cost-effective than the private sector, is to conduct an RFP and ask private companies to bid to operate the program. An RFP is exactly what the Oregon Legislature required of DEQ as part of its last fee increase.**