


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** September 27, 2017

**SUBJECT:** Fiscal Impact Statement – Exhaust Emissions Inspection Amendment Act of 2017

**REFERENCE:** Bill 22-70, Draft Committee Print as shared with the Office of Revenue Analysis on August 25, 2017

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**Conclusion**

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill's implementation will cost \$184,000 in fiscal year 2018 and \$763,000 over the four-year financial plan period.

**Background**

Motor vehicle owners must have their vehicles inspected by the Department of Motor Vehicles (DMV) for exhaust emissions every two years.<sup>1</sup> A vehicle that fails the DMV inspection has twenty calendar days to make the necessary repairs and return to DMV for a retest at no additional cost.<sup>2</sup>

The bill allows the owner of a vehicle that fails DMV's exhaust emissions test to receive a retest from the District repair shop<sup>3</sup> that performs the necessary vehicle repairs. If the vehicle passes the subsequent test, then DMV will issue an inspection sticker for the vehicle.

**Financial Plan Impact**

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. DMV manages the re-inspection process through its centralized facility at 1001 Half Street, S.W. A decentralized re-inspection process would require DMV to provide a new level of

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<sup>1</sup> Commercial vehicles, taxis, and for-hire vehicles must be inspected annually.

<sup>2</sup> A vehicle owner can receive up to two free re-inspections within the twenty-day window.

<sup>3</sup> The full-service repair shop must be capable of performing the exhaust emissions inspection.

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FIS: Bill 22-70, "Exhaust Emissions Inspection Amendment Act of 2017," Draft Committee Print as shared with the Office of Revenue Analysis on August 25, 2017

oversight on the process. DMV will need to ensure repair stations are using the appropriate equipment, fees are being paid, systems are connected as needed, fraud is mitigated, and valid inspection stickers are issued. This will require one new DMV investigator at a cost of \$76,000 annually.

The Department of Energy and the Environment (DOEE) currently monitors and inspects the DMV facility under its vehicle emissions inspection and maintenance program that is part of its State Implementation Plan (SIP)<sup>4</sup> required under the Federal Clean Air Act.<sup>5</sup> The proposed decentralization program requires DOEE to work with the Environmental Protection Agency to amend its SIP in a process that could take 18-24 months. DOEE requires an additional environmental protection specialist to work through the SIP amendment process and conduct performance audits on any repair shops that choose to participate in the re-inspection program. This specialist will cost approximately \$115,000 annually.

| <b>Exhaust Emissions Inspection Amendment Act of 2017<br/>Implementation Costs<br/>Fiscal Year 2018 – Fiscal Year 2021</b> |                |                |                |                |              |
|--|----------------|----------------|----------------|----------------|--------------|
|  | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> | <b>Total</b> |
| <b>DMV Investigator<sup>a</sup></b>  | \$71,000       | \$74,000       | \$77,000       | \$80,000       | \$302,000    |
| <b>DOEE Specialist<sup>b</sup></b>   | \$113,000      | \$113,000      | \$117,000      | \$117,000      | \$461,000    |
| <b>Total</b>   | \$184,000      | \$187,000      | \$194,000      | \$198,000      | \$763,000    |

Table Notes

<sup>a</sup> One DMV investigator at a Grade 9, Step 1 (annual step increases).

<sup>b</sup> One DOEE specialist at a Grade 13, Step 5 (biennial step increases).

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<sup>4</sup> <https://doee.dc.gov/service/air-quality-planning>

<sup>5</sup> 42 U.S.C. § 7401.