
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1392 (Cortese) - Smog check: exemption: collector motor vehicles

Version: April 15, 2026

Urgency: No

Hearing Date: May 4, 2026

Policy Vote: TRANS. 10 - 2

Mandate: No

Consultant: Mark McKenzie

Bill Summary: SB 1392 would provide a full exemption from smog check requirements for collector motor vehicles manufactured before the 1981 model year, and extend the applicability of this exemption by one model year each year, from 2028 through 2032, such that the exemption would eventually apply to collector vehicles manufactured before the 1986 model year. The bill would also change the definition of “collector vehicle” to remove the requirement that the vehicle be owned by a collector, as specified.

Fiscal Impact:

- The Department of Motor Vehicles (DMV) would incur unknown one-time costs, likely in the mid- to high-hundreds of thousands of dollars, to make IT system changes to allow for the modification of vehicle registration and vehicle transfer service channels to allow a registered owner to certify that the vehicle is identified as a “collector motor vehicle,” as specified. DMV is currently unable to provide a precise cost estimate because implementation efforts would overlap with the rollout of current IT modernization efforts. Staff notes that DMV would be unable to make the necessary programming changes by the operative date of this bill. See Staff Comments. (Motor Vehicle Account)
- Unknown ongoing DMV workload costs, likely in the low hundreds of thousands of dollars annually, to process smog check waivers for collector motor vehicles. (Motor Vehicle Account)
- Unknown annual loss of smog certification fee revenues, depending on the number of vehicles that are designated as collector motor vehicles eligible for the smog check exemption established by this bill. This amount would grow annually thereafter for five years as an additional model year would be eligible for the “rolling” exemption each year until January 1, 2032. Eventually the annual revenue losses would likely be in the low hundreds of thousands of dollars. See Staff Comments. (Vehicle Inspection and Repair Fund -- VIRF)
- The California Air Resources Board (CARB) could incur costs to quantify foregone emission reductions as a result of this bill, and it may result in cost pressures of an unknown, but potentially significant amount, to the extent CARB needs to achieve emissions reductions from other sectors to make up for foregone emissions reductions. (VIRF) See Staff Comments.

Background: Existing law establishes the Motor Vehicle Inspection Program, commonly known as the smog check program, as a means to measure motor vehicle

related pollutants. The program is administered by the Bureau of Automotive Repair (BAR) and generally requires gas-powered motor vehicles to pass a biennial smog check inspection with specified exceptions, such as vehicles manufactured prior to the 1976 model year, alternative fuel vehicles, and vehicles eight model years old or newer. An \$8.25 smog check certificate fee is assessed on vehicles once they pass a smog check. As a condition of initial registration, upon change of ownership, and biennially upon renewal of vehicle registration, the vehicle owner must submit to DMV a valid certificate of compliance indicating that the vehicle has passed its smog inspection.

Existing law defines a “collector” as the owner of one or more vehicles of historic value, as specified, or one or more special interest vehicles, who collects, purchases, acquires, trades, or disposes of the vehicle, or parts thereof, for his or her own use, in order to preserve, restore, and maintain the vehicle for hobby or historical purposes. Existing law defines a “collector motor vehicle” as a motor vehicle owned by a collector, and that is used primarily in shows, parades, charitable functions, and historical exhibitions for display, maintenance, and preservation, and is not used primarily for transportation. Existing law provides a partial smog check exemption for some collector vehicles. Specifically, a collector motor vehicle is exempt from the visual and functional inspection of emission controls if it is at least 35 years old, and the owner can demonstrate that the vehicle is insured as a collector vehicle. These vehicles must still pass a functional inspection of the fuel cap, a visual inspection for liquid fuel leaks, and a tailpipe emissions test to ensure compliance with the exhaust emission standards for that vehicle’s class and model year.

Prior to 1998, vehicles with a 1973 model year and older were exempt from smog check requirements. Subsequently, SB 42 (Kopp), Chap. 801/1997 established a “rolling exemption” for vehicles that were 30 years of age and older. This rolling exemption was repealed with the passage of AB 2683 (Lieber), Chap. 704/2004, which instead established the current standing exemption for vehicles that are manufactured prior to the 1976 model year. Opponents of the prior “rolling exemption” expressed concerns about the significant impacts to air quality, noting that the relatively small number of older vehicles qualifying for the exemption were responsible for a disproportionate share of vehicle emissions.

The United States Environmental Protection Agency’s 2020 Automotive Trends report notes “vehicles from model year 1990 or older emit significantly more greenhouse gases (GHG) compared to 2020 model-year vehicles. On average, older vehicles can emit up to 10 times more GHGs per mile than modern vehicles, depending on maintenance and driving conditions.” The report notes this disparity is due to advancements in emissions control technologies, fuel efficiency, and stricter environmental regulations implemented over the years. The California Air Resources Board (CARB) noted in 2025 that a model year 1982 vehicle (with 43 years of deterioration), will have 123 times higher nitrogen oxides (NOx) emissions than a new model year 2025 vehicle.

Proposed Law: SB 1392 would provide a full exemption from smog check requirements for collector motor vehicles manufactured before the 1981 model year. For each year from 2028 until 2032, the exemption would be extended to an additional model year collector vehicle, such that the exemption would eventually apply to all collector vehicles manufactured before the 1986 model year by 2032.

The bill would also revise the definition of “collector vehicle” to delete the requirement that the vehicle be owned by a collector, as defined, and specify that the vehicle is not used as the owner’s primary mode of transportation (rather than used primarily for transportation).

Related Legislation: SB 712 (Grove), which was held on the Assembly Appropriations Committee’s Suspense File last year, would have exempted classic or collector vehicles from smog check requirements beginning in 2027 if the vehicle was manufactured prior to 1981 and has been assigned a historical vehicle license plate, and it is insured as a collector motor vehicle, as specified. The bill would have extended the exemption by one model year each year until 2032, at which time it would apply to vehicles with a model year manufactured before 1986.

AB 467 (Grayson), which was referred to the Assembly Transportation Committee in 2022 but never heard, would have exempted a collector/special interest vehicle with designated specialty plates from smog check requirements, if certain criteria were met, including submission of proof that the vehicle is insured as a collector motor vehicle to DMV.

SB 1239 (Gaines), which failed passage on the Senate Floor in 2016, would have provided an exemption from smog check requirements for motor vehicles with a model year of 1976-1980 until January 1, 2019, if the owner submits proof that the vehicle is insured as a collector car.

AB 2683 (Lieber), Chap. 704/2002, repealed a “rolling” smog check exemption for vehicles that were 30 years of age and older, and established an exemption for vehicles manufactured prior to 1976.

SB 42 (Kopp), Chap. 801/1997, established a “rolling” smog check exemption for vehicles that were 30 years of age or older, as specified.

Staff Comments: BAR data indicates that approximately 108,000 vehicles with a 1976-1985 model year were given smog check tests over the past two years. Approximately 23,000 of those vehicles, or 21% of all vehicles with those model years, failed the smog check. Staff notes that the bill does not specify any requirements for certification or attestation that a vehicle meets the requirements to be designated as a collector motor vehicle, but it is likely that the bill would create an incentive for vehicle owners to self-certify and designate their vehicles as collector motor vehicles to avoid smog check requirements.

Staff notes that a “collector motor vehicle” is not a permanent vehicle characteristic, but rather depends upon its intended use, as indicated in the bill’s revised definition. As such, DMV indicates that the bill would require the department to modify its vehicle registration renewal and transfer service channels to allow the registered owner to certify that the vehicle will be used as a “collector motor vehicle.” DMV would incur one-time IT programming costs to modify the vehicle registration records to collect and maintain this status, and provide for a process to validate this status biennially for registration renewals and upon transfer of ownership. DMV is currently unable to provide a precise cost estimate because implementation efforts would overlap with the rollout of current IT modernization efforts, but staff estimates these one-time costs could

be in the hundreds of thousands of dollars, considering the number of service channels that must be modified (online, mail, self-service kiosks, and in-person).

The DMV indicates that it would not be able to complete the necessary automation workload in advance of the bill's January 1, 2027 operative date given its current modernization priorities. Specifically, the vehicle registration component of the Digital eXperience Platform Project (DXP) is expected to be ready for rollout in the fall of 2026 and there would be insufficient time before this bill's effective date to complete necessary programming related to this bill. As noted above, DMV is unable to predict the costs of this effort given the overlap in timeframes with the systems rollout, and this project is not within the scope of the DXP.

DMV indicates that it would also incur ongoing workload costs to process smog check waivers for vehicles designated as collector motor vehicles. The magnitude of this workload is under development, but anticipated to be in the low hundreds of thousands of dollars annually. Staff notes that the bill does not include any cost recovery mechanism to offset DMV costs, such as a fee to process transactions certifying eligibility for the smog check exemption.

The Motor Vehicle Account (MVA) is the primary funding source for the California Highway Patrol and DMV. The MVA has had a structural deficit since the 2021-22 fiscal year, with expenditures exceeding revenues by approximately \$60 million in the current year, and approximately \$112 million in the budget year (projected). Absent further actions to address the MVA fund condition, approving any new proposals that increase MVA expenditures would exacerbate the current structural imbalance of the fund. The Budget Summary published for the Governor's proposed 2026-27 Budget notes that "the MVA will be insolvent as soon as 2028-29. Given the ongoing fiscal constraints in the MVA, the Administration will continue to limit new workload or initiatives, including those with delayed implementation dates that would create additional cost pressures over time."

Existing law requires a vehicle owner subject to smog check requirements to pay a fee of \$8.25, upon passage of a smog test. Over the past two years, an average of approximately 54,000 vehicles with a 1976-1985 model year were subject to the smog check testing requirements annually. By creating a new exemption from smog check requirements for collector motor vehicles with specified model years, the bill would result in a loss of smog certificate revenues, depending on the number of vehicles that would be subject to the bill's exemption. It is unclear how many vehicle owners would claim the exemption when a vehicle is registered or upon transfer of ownership, so the magnitude of the revenue losses is unknown. As an illustrative example, if a smog check exemption were claimed for 20% of 1976-1980 model year vehicles, the initial revenue losses would be \$38,000 in the first year (or \$95,000 if 50% claim the exemption). Smog certificate revenue losses would grow annually as an additional model year vehicle would be eligible for the "rolling" exemption each year through 2032, reaching approximately \$89,000 if the exemption is claimed on 20% of the 1976-1985 model year vehicles (or \$223,000 if 50% claim the exemption).

Smog certificate revenues are deposited into the Vehicle Inspection and Repair Fund (VIRF, Fund #0421). According to the Fund Condition Statement for the VIRF, the fund has a healthy reserve of over \$140 million at the end of the current fiscal year, but

expenditures have exceeded new revenues by over \$30 million annually in recent years, so the fund is in a declining condition. Staff notes that the VIRF has been the source of numerous loans to other special funds and the General Fund in recent budget years, including \$46 million to other licensing boards under the Department of Consumer Affairs, and \$30 million to the General Fund, all of which have been recently repaid.

As noted above, older vehicles are typically higher polluters and have a disproportionate impact on air quality, even though they make up a very small percentage of the registered vehicles in the state. The smog check program is a measure included in the State Implementation Plan to achieve federal ozone and particulate matter standards in non-attainment areas. To the extent this bill's initial and "rolling" exemption for collector vehicles with a model year of 1976-1986 results in a significant loss of emission reductions, CARB would need to conduct analysis to identify, develop, and implement substitute emission control measures to make up for those lost emission reductions. Costs to complete that work would be significant. CARB estimates costs of approximately \$1.59 million annually for 7.2 PY of staff to develop an extensive test program to evaluate emission impacts, coordinate with BAR, DMV, and local air districts, incorporate the data into air quality models, revise federally required plans, and other tasks.

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