Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1392 (Cortese) – As Amended June 24, 2026

Policy Committee: Transportation Vote: 13 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill exempts certain collector motor vehicles from smog check requirements.

More specifically, this bill:

1) Exempts a "collector motor vehicle" manufactured before model year (MY) 1981 from the requirement to obtain a smog check certificate of compliance or noncompliance for initial registration, renewal every two years, or transfer of ownership if the vehicle is at least 35 MYs old and either insured as a collector motor vehicle with proof of insurance submitted to the Department of Motor Vehicles (DMV) at the time of registration, or determined, through a process developed by DMV, to be driven fewer than 1,000 miles per calendar year.

2) Beginning January 1, 2028, expands the MY cutoff by one additional MY each year until January 1, 2032, when the exemption applies to qualifying collector motor vehicles manufactured before MY 1986.

FISCAL EFFECT:

Because this bill exempts certain vehicles from the need to undergo smog checks and pay associated fees, it will result in foregone state revenue of an unknown but potentially significant amount. In addition, the bill requires significant administrative work of the Bureau of Automotive Repair (BAR) and DMV, with initial and ongoing costs to each agency likely in the hundreds of thousands of dollars annually. Finally, the bill may create cost pressure on the Air Resources Board (ARB) to quantify foregone emission reductions as a result of this bill.

Costs to affected agencies are as follows:

1) DMV anticipates one-time and ongoing costs of an unknown amount, potentially in the hundreds of thousands of dollars, to promulgate regulations; update its forms, publications, and web content; process smog check waivers for collector motor vehicles; and make information technology (IT) system changes to allow for the modification of its vehicle registration and vehicle transfer systems to allow a registered owner to certify that the vehicle is identified as a collector motor vehicle and to create a method of tracking annual mileage (Motor Vehicle Account (MVA)). DMV notes that given the scope of its ongoing IT modernization effort, it would not be able to make the programming or regulatory changes required by this bill by January 1, 2027. The department further notes the MVA is projected to become insolvent as early as fiscal year (FY) 2028–29.

2) BAR anticipates potentially significant ongoing costs of an unknown amount for Referee facilities – facilities that provide an abbreviated and specialized inspection process for qualifying collector cars – to determine smog check exemption eligibility and conduct a greater number of abbreviated inspections, which may require additional facilities, equipment, staffing, and operational support. In addition, BAR has a no-cost-to-the-state contract that provides IT services at all smog check stations. However, this contract requires BAR to cover the difference if revenue drops beyond a designated amount. As a consequence of lost revenue from smog check and change of ownership transaction fees, BAR projects it will owe approximately $10,000 the first year after the bill takes effect, with that amount increasing gradually year after year as additional vehicles become eligible (Vehicle Inspection and Repair Fund (VIRF)).

   BAR additionally anticipates ongoing annual revenue losses of an unknown amount from a reduction in transaction and change of ownership fees. Existing law requires a vehicle owner subject to smog check requirements to pay a fee of $8.25 upon passage of a smog test. This bill will likely result in an annual loss of smog certification fee revenue of an unknown amount. This amount would likely increase annually for five years as an additional MY would be eligible for the "rolling" exemption each year until January 1, 2032. Eventually, annual revenue losses would likely be in the low hundreds of thousands of dollars (VIRF). 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 loss is unknown. The VIRF had a reserve of over $140 million at the end of the current FY, but expenditures have exceeded new revenues by over $30 million annually in recent years, so the fund is in a declining condition.

3) ARB is likely to incur some costs to quantify foregone emission reductions as a result of this bill. While the smog check program is under the jurisdiction of BAR, ARB relies on the program to meet federal Clean Air Act requirements for areas of the state with unhealthy levels of criteria pollutants. Therefore, the bill may result in cost pressures to ARB to achieve emissions reductions from other sectors to make up for foregone emissions reductions.

   For its part, ARB estimates ongoing annual costs of approximately $1.3 million to hire about seven staff (VIRF) to develop an extensive test program to evaluate emission impacts, coordinate with BAR, DMV, and local air districts, incorporate data into air quality models, revise federally required plans, and other tasks.

COMMENTS:

1) **Purpose.** According to the author:

   > SB 1392 provides a tailored exemption for a limited pool of pre-1986 vehicles…The bill does not create a permanent rolling exemption or alter the broader smog program. This measure reflects proportional regulation. It maintains the integrity of California's emissions program while aligning the treatment of late-1970s and early-1980s vehicles with their actual use and impact.

2) **Background.** Under current law, vehicles MY 1975 and older are exempt from smog check requirements. Older vehicles tend to have higher smog check failure rates due to outdated emissions technology and wear. Furthermore, the U.S. Environmental Protection Agency's

2020 Automotive Trends report notes, "Vehicles from [MY] 1990 or older emit significantly more [greenhouse gases (GHG)] compared to 2020 [MY] vehicles. On average, older vehicles can emit up to 10 times more GHG 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. Lastly, according to ARB, in 2025, a 43-year-old MY 1982 vehicle in compliance with smog check had 123 times greater NO_x emissions than a MY 2025 vehicle.

The Specialty Equipment Market Association (SEMA), one of the sponsors of this bill, argues this bill "lowers the bar of entry for prospective car collectors by reducing costs and regulatory burdens." SEMA argues only a small fraction of vehicles on California roads meet the bill's age requirements and that owners of older cars "have a hard time finding smog stations with the proper BAR-97 equipment and at a reasonable price, because maintaining the equipment required to test these cars is costly and rarely used." SEMA contends classic and collector cars are a cherished part of the state's automotive heritage and are well-maintained, infrequently driven, and often showcased at car shows and events celebrating automotive history. SEMA asserts this bill provides a sensible exemption process for these vehicles, "ensuring only historically recognized and properly insured vehicles qualify."

The bill is opposed by several environmental groups and local air districts. The Bay Area Air District (BAAD) argues this bill will increase air pollution and is detrimental to air quality and public health, particularly as the current federal administration continues to thwart the state's clean air programs. BAAD argues, among other things, that collector car insurance includes little accountability, and the bill creates "a massive loophole that non-hobbyists will exploit to avoid smog check for their older, higher emitting vehicles." BAAD further asserts the 1,000-mile threshold and certain other guardrails in the bill will be challenging to enforce. BAAD writes:

> Current law allows collector motor vehicles meeting specific criteria to forego the visual equipment inspection portion of smog check as long as the vehicle continues to meet emissions standards. Changing the definition of collector motor vehicle in the manner that SB 1392 proposes significantly expands the universe of vehicles eligible for the abbreviated smog check inspection because it no longer requires that a vehicle be unaltered from the manufacturer's original specifications, or meet other criteria intended to ensure the vehicle is actually a collector. In effect, if a vehicle is at least 35 MY old and the owner obtains collector car insurance, a vehicle owner can pursue the exemption, which means vehicles whose emissions control equipment have been tampered with can bypass this important review.

3) **Related Legislation.** SB 712 (Grove) of the current legislative session exempts classic or collector vehicles that meet specified criteria from smog check requirements. SB 712 was held on this committee's suspense file.

Analysis Prepared by: Nikita Koraddi / APPR. / (916) 319-2081