



# Senate

General Assembly

**File No. 672**

January Session, 2021

Substitute Senate Bill No. 1103

*Senate, May 10, 2021*

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING EMISSIONS AND DECIBEL LEVEL TESTING AND THE TAXATION OF CERTAIN MOTORCYCLES AND PARTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 14-164c of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2021*):

4 (c) The commissioner shall adopt regulations, in accordance with  
5 chapter 54, to implement the provisions of this section. Such regulations  
6 shall include provision for a periodic inspection of air pollution control  
7 equipment and compliance with or waiver of exhaust emission  
8 standards or compliance with or waiver of on-board diagnostic  
9 standards or other standards defined by the Commissioner of Energy  
10 and Environmental Protection and approved by the Administrator of  
11 the United States Environmental Protection Agency, compliance with or  
12 waiver of, air pollution control system integrity standards defined by  
13 the Commissioner of Energy and Environmental Protection and

14 compliance with or waiver of purge system standards defined by the  
15 Commissioner of Energy and Environmental Protection. Such  
16 regulations may provide for an inspection procedure using an on-board  
17 diagnostic information system for all 1996 model year and newer motor  
18 vehicles. Such regulations shall apply to all motor vehicles registered or  
19 which will be registered in this state except: (1) Vehicles having a gross  
20 weight of more than ten thousand pounds; (2) vehicles powered by  
21 electricity; (3) bicycles with motors attached; (4) [motorcycles; (5)]  
22 vehicles operating with a temporary registration; [(6)] (5) vehicles  
23 manufactured twenty-five or more years ago; [(7)] (6) new vehicles at  
24 the time of initial registration; [(8)] (7) vehicles registered but not  
25 designed primarily for highway use; [(9)] (8) farm vehicles, as defined  
26 in subsection (q) of section 14-49; [(10)] (9) diesel-powered type II school  
27 buses; [(11)] (10) a vehicle operated by a licensed dealer or repairer  
28 either to or from a location of the purchase or sale of such vehicle or for  
29 the purpose of obtaining an official emissions or safety inspection; [(12)]  
30 (11) vehicles that have met the inspection requirements of section 14-  
31 103a and are registered by the commissioner as composite vehicles;  
32 [(13)] (12) electric bicycles, as defined in section 14-1; or [(14)] (13)  
33 electric foot scooters, as defined in section 14-1. On and after July 1, 2002,  
34 such regulations shall exempt from the periodic inspection requirement  
35 any vehicle four or less model years of age, beginning with model year  
36 2003 and the previous three model years, provided that such exemption  
37 shall lapse upon a finding by the Administrator of the United States  
38 Environmental Protection Agency or by the Secretary of the United  
39 States Department of Transportation that such exemption causes the  
40 state to violate applicable federal environmental or transportation  
41 planning requirements. Notwithstanding any provisions of this  
42 subsection, the commissioner may require an initial emissions  
43 inspection and compliance or waiver prior to registration of a new  
44 motor vehicle. If the Commissioner of Energy and Environmental  
45 Protection finds that it is necessary to inspect motor vehicles [which]  
46 that are exempt under subdivision (1) [or (4)] of this subsection [,] or  
47 motor vehicles that are four or less model years of age in order to  
48 achieve compliance with federal law concerning emission reduction

49 requirements, the Commissioner of Motor Vehicles may adopt  
50 regulations, in accordance with the provisions of chapter 54, to require  
51 the inspection of [motorcycles,] designated motor vehicles having a  
52 gross weight of more than ten thousand pounds or motor vehicles four  
53 or less model years of age.

54 Sec. 2. (NEW) (*Effective October 1, 2021*) (a) (1) In addition to the  
55 requirements under subsection (c) of section 14-164c of the general  
56 statutes, as amended by this act, and any regulations adopted  
57 thereunder regarding periodic inspection of air pollution control  
58 equipment, exhaust emission standards, air pollution control system  
59 integrity standards and purge system standards, each motor vehicle, as  
60 defined in section 14-1 of the general statutes, that is subject to such  
61 requirements shall undergo periodic inspection of the maximum decibel  
62 level produced by such vehicle. Such decibel level inspection shall be  
63 conducted at the time a motor vehicle is presented for inspection  
64 pursuant to subsection (c) of section 14-164c of the general statutes, as  
65 amended by this act.

66 (2) The maximum decibel level for a motor vehicle shall not exceed  
67 the maximum decibel level permitted pursuant to section 14-80a of the  
68 general statutes and any regulations adopted thereunder, when the  
69 decibel level is measured in accordance with the provisions of  
70 subsection (c) of section 14-80a of the general statutes.

71 (b) The Commissioner of Energy and Environmental Protection shall  
72 consult with the Commissioner of Motor Vehicles and furnish the  
73 commissioner with technical information, including testing techniques,  
74 standards and instructions for (1) emission control features and  
75 equipment for motorcycles, and (2) decibel level inspections for motor  
76 vehicles. Such standards shall be consistent with provisions of federal  
77 law, if any, relating to control of emissions from the motorcycles  
78 concerned or any regulations adopted by the Commissioner of Energy  
79 and Environmental Protection or to maximum decibel levels for the  
80 motor vehicles concerned. Such standards shall be periodically  
81 reviewed by the Commissioner of Energy and Environmental

82 Protection and revised, if necessary, to achieve the objectives of the  
83 motorcycle emission inspection program and the motor vehicle decibel  
84 level inspection program.

85 (c) The Commissioner of Motor Vehicles may enter into a negotiated  
86 inspection agreement or agreement with an independent contractor or  
87 contractors, in accordance with the provisions of section 14-164c of the  
88 general statutes, as amended by this act, to provide for the leasing,  
89 construction, equipping, maintenance or operation of a system of official  
90 emissions inspection stations in such numbers and locations as may be  
91 required to provide motorcycle owners reasonably convenient access to  
92 inspection facilities and motor vehicle owners reasonably convenient  
93 access to decibel level inspection. The commissioner may amend any  
94 negotiated inspection agreement entered into with an independent  
95 contractor or contractors, pursuant to section 14-164c of the general  
96 statutes, as amended by this act, to allow an existing inspection facility  
97 to provide emissions inspection services to motorcycle owners and  
98 decibel level inspection services to motor vehicle owners. Any such  
99 contractor and inspection facility under this subsection shall be subject  
100 to and comply with the applicable provisions set forth in section 14-164c  
101 of the general statutes, as amended by this act.

102 (d) (1) The Commissioner of Motor Vehicles, with approval of the  
103 Secretary of the Office of Policy and Management, shall establish, and  
104 from time to time modify, the inspection fees, not to exceed twenty  
105 dollars for each biennial inspection or reinspection required pursuant to  
106 this section for the inspection of emission control features and  
107 equipment for motorcycles. The commissioner may establish, and from  
108 time to time modify, an additional fee for the inspection of the decibel  
109 levels of motor vehicles, provided such fee does not exceed the fee for a  
110 biennial inspection or reinspection required for emission controls  
111 features and equipment. Such fees shall be paid in a manner prescribed  
112 by the commissioner. If the costs to the state of the inspection program,  
113 including administrative costs and payments to any independent  
114 contractor, exceed the income from such fees, such excess costs shall be  
115 borne by the state.

116 (2) Any person whose vehicle has been inspected at an official  
117 emissions inspection station shall, if such vehicle is found not to comply  
118 with any required standards, have the vehicle repaired and have the  
119 right within sixty consecutive calendar days to return such vehicle to  
120 the same official emissions inspection station for one reinspection  
121 without charge, provided, where the sixtieth day falls on a Sunday, legal  
122 holiday or a day on which the commissioner has established that special  
123 circumstances or conditions exist that have caused emissions inspection  
124 to be impracticable, such person may return such vehicle for  
125 reinspection on the next day. The commissioner shall assess a late fee of  
126 twenty dollars against the owner of a motor vehicle that has not  
127 presented such motor vehicle for an emissions inspection within thirty  
128 days following the expiration date of the assigned inspection period, or  
129 that has not presented such motor vehicle for a reinspection within sixty  
130 days following a test failure, or both. The commissioner may waive such  
131 late fee when it is proven to the commissioner's satisfaction that the  
132 failure to have the vehicle inspected within thirty days of the assigned  
133 inspection period or during the sixty-day reinspection period was due  
134 to exigent circumstances. If ownership of the motor vehicle has been  
135 transferred, the new owner shall have such motor vehicle inspected  
136 within thirty days of the registration of such motor vehicle. After the  
137 expiration of such thirty-day period, the commissioner shall require the  
138 payment of the late fee specified in this subdivision. If the thirtieth day  
139 falls on a Sunday, legal holiday or a day on which the commissioner has  
140 established that special circumstances or conditions exist that have  
141 caused emissions inspection to be impracticable, such vehicle may be  
142 inspected on the next day and no late fee shall be assessed.

143 (e) The Commissioner of Motor Vehicles may adopt regulations, in  
144 accordance with the provisions of chapter 54 of the general statutes, to  
145 implement the provisions of this section.

146 Sec. 3. (NEW) (*Effective October 1, 2021*) (a) No person shall fail to  
147 maintain in good working order or remove, dismantle or otherwise  
148 cause to be inoperative any equipment or feature of a motor vehicle that  
149 limits the maximum decibel level produced by such motor vehicle to a

150 level that is equal to or below the maximum decibel level permitted  
151 pursuant to section 14-80a of the general statutes and any regulations  
152 adopted thereunder. Any such failure to maintain in good working  
153 order or removal, dismantling or causing of inoperability shall subject  
154 the owner thereof to revocation of registration for such vehicle by the  
155 Commissioner of Motor Vehicles unless all parts and equipment  
156 constituting elements of decibel control have been made operable and  
157 in good working order within sixty days of notice by said commissioner  
158 of such violation. Any such failure shall be considered a failure to  
159 comply with the periodic inspection requirements established under  
160 subsection (a) of section 2 of this act. As used in this section, "motor  
161 vehicle" has the same meaning as provided in section 14-1 of the general  
162 statutes.

163 (b) No motor vehicle subject to the inspection requirements of section  
164 2 of this act shall be operated upon the highways of this state unless such  
165 vehicle has been presented for inspection in accordance with a schedule  
166 for inspection and compliance as established by the commissioner. The  
167 commissioner shall grant waivers from compliance with standards for  
168 vehicles that fail any required inspection and require an unreasonable  
169 cost of repair, as determined by the commissioner, to bring the vehicle  
170 into compliance. The commissioner may determine compliance of a  
171 vehicle that has failed a decibel level retest by means of a complete  
172 physical and functional diagnosis and inspection of the vehicle,  
173 showing that no additional noise-related repairs are needed. An  
174 extension of time, not to exceed the period of inspection frequency, may  
175 be granted to obtain needed repairs on a vehicle in the case of economic  
176 hardship of the owner. Only one such extension may be granted for any  
177 vehicle.

178 (c) No motor vehicle dealer licensed under section 14-52 of the  
179 general statutes shall sell any motor vehicle unless such motor vehicle  
180 (1) is in compliance with subsections (a) and (b) of section 2 of this act  
181 and any regulations adopted under section 2 of this act, and (2) has  
182 passed an emissions and decibel level inspection conducted in  
183 accordance with said subsections and regulations. No person, firm or

184 corporation shall operate or allow to be operated any motor vehicle that  
185 has not been inspected and found to be in compliance with the  
186 provisions of section 2 of this act and any regulations adopted  
187 thereunder. Operation in violation of said subsections or regulations  
188 shall be an infraction for each violation, except that the fine for a first  
189 violation shall be fifty dollars. The commissioner may deny the issuance  
190 of registration to the owner of a motor vehicle, or the renewal of  
191 registration to any such owner, or suspend or revoke any registration  
192 that has been issued, if such motor vehicle is not in compliance with the  
193 inspection requirements of section 2 of this act, or such owner has failed  
194 to pay any fee required by the provisions of section 2 of this act.

195 (d) Each motor vehicle dealer shall include with each sales tax return  
196 filed with the Department of Revenue Services a statement attesting that  
197 each motor vehicle sold during the period for which such return is filed  
198 was in compliance with the provisions of subdivision (2) of subsection  
199 (a) of section 2 of this act at the time of the sale.

200 (e) The commissioner may adopt regulations, in accordance with the  
201 provisions of chapter 54 of the general statutes, to implement the  
202 provisions of this section.

203 Sec. 4. Section 22a-6a of the general statutes is repealed and the  
204 following is substituted in lieu thereof (*Effective October 1, 2021*):

205 (a) Any person who knowingly or negligently violates any provision  
206 of section 14-100b, [or] 14-164c, as amended by this act, or section 2 of  
207 this act, subdivision (3) of subsection (b) of section 15-121, section 15-  
208 171, 15-172, 15-175, 22a-5, 22a-6 or 22a-7, chapter 440, chapter 441,  
209 section 22a-69 or 22a-74, subsection (b) of section 22a-134p, section 22a-  
210 162, 22a-171, 22a-174, 22a-175, 22a-177, 22a-178, 22a-181, 22a-183, 22a-  
211 184, 22a-190, 22a-208, 22a-208a, 22a-209, 22a-213, 22a-220, 22a-225, 22a-  
212 231, 22a-336, 22a-342, 22a-345, 22a-346, 22a-347, 22a-349a, 22a-358, 22a-  
213 359, 22a-361, 22a-362, 22a-365 to 22a-379, inclusive, 22a-401 to 22a-411,  
214 inclusive, 22a-416, 22a-417, 22a-424 to 22a-433, inclusive, 22a-447, 22a-  
215 449, 22a-450, 22a-451, 22a-454, 22a-458, 22a-461, 22a-462 or 22a-471, or  
216 any regulation, order or permit adopted or issued thereunder by the

217 Commissioner of Energy and Environmental Protection shall be liable  
218 to the state for the reasonable costs and expenses of the state in  
219 detecting, investigating, controlling and abating such violation. Such  
220 person shall also be liable to the state for the reasonable costs and  
221 expenses of the state in restoring the air, waters, lands and other natural  
222 resources of the state, including plant, wild animal and aquatic life to  
223 their former condition insofar as practicable and reasonable, or, if  
224 restoration is not practicable or reasonable, for any damage, temporary  
225 or permanent, caused by such violation to the air, waters, lands or other  
226 natural resources of the state, including plant, wild animal and aquatic  
227 life and to the public trust therein. Institution of a suit to recover for such  
228 damage, costs and expenses shall not preclude the application of any  
229 other remedies.

230 (b) Whenever two or more persons knowingly or negligently violate  
231 any provision of section 14-100b, [or] 14-164c, as amended by this act, or  
232 section 2 of this act, subdivision (3) of subsection (b) of section 15-121,  
233 section 15-171, 15-172, 15-175, 22a-5, 22a-6 or 22a-7, chapter 440, chapter  
234 441, subsection (b) of section 22a-134p, section 22a-162, 22a-171, 22a-174,  
235 22a-175, 22a-177, 22a-178, 22a-181, 22a-183, 22a-184, 22a-190, 22a-208,  
236 22a-208a, 22a-209, 22a-213, 22a-220, 22a-225, 22a-231, 22a-336, 22a-342,  
237 22a-345, 22a-346, 22a-347, 22a-349a, 22a-358, 22a-359, 22a-361, 22a-362,  
238 22a-365 to 22a-379, inclusive, 22a-401 to 22a-411, inclusive, 22a-416, 22a-  
239 417, 22a-424 to 22a-433, inclusive, 22a-447, 22a-449, 22a-450, 22a-451,  
240 22a-454, 22a-458, 22a-461, 22a-462 or 22a-471, or any regulation, order or  
241 permit adopted or issued thereunder by the commissioner and  
242 responsibility for the damage caused thereby is not reasonably  
243 apportionable, such persons shall, subject to a right of equal  
244 contribution, be jointly and severally liable under this section.

245 (c) Any person whose acts outside Connecticut contribute to  
246 environmental damage in Connecticut shall be subject to suit under this  
247 section if such person is subject to in personam jurisdiction within this  
248 state pursuant to section 52-59b, or if such person, in person or through  
249 an agent, expects or should reasonably expect his acts outside this state  
250 to have an effect upon the environment in this state and process upon

251 any such person shall be served in the manner set forth in section 52-  
252 59b.

253 Sec. 5. Subsection (a) of section 22a-6b of the general statutes is  
254 repealed and the following is substituted in lieu thereof (*Effective October*  
255 *1, 2021*):

256 (a) The Commissioner of Energy and Environmental Protection shall  
257 adopt regulations, in accordance with the provisions of chapter 54, to  
258 establish a schedule setting forth the amounts, or the ranges of amounts,  
259 or a method for calculating the amount of the civil penalties which may  
260 become due under this section. Such schedule or method may be  
261 amended from time to time in the same manner as for adoption  
262 provided any such regulations which become effective after July 1, 1993,  
263 shall only apply to violations which occur after said date. The civil  
264 penalties established for each violation shall be of such amount as to  
265 insure immediate and continued compliance with applicable laws,  
266 regulations, orders and permits. Such civil penalties shall not exceed the  
267 following amounts:

268 (1) For failure to file any registration, other than a registration for a  
269 general permit, for failure to file any plan, report or record, or any  
270 application for a permit, for failure to obtain any certification, for failure  
271 to display any registration, permit or order, or file any other information  
272 required pursuant to any provision of section 14-100b or 14-164c,  
273 subdivision (3) of subsection (b) of section 15-121, section 15-171, 15-172,  
274 15-175, 22a-5, 22a-6, 22a-7, 22a-32, 22a-39 or 22a-42a, 22a-45a, chapter  
275 441, sections 22a-134 to 22a-134d, inclusive, subsection (b) of section 22a-  
276 134p, section 22a-171, 22a-174, 22a-175, 22a-177, 22a-178, 22a-181, 22a-  
277 183, 22a-184, 22a-208, 22a-208a, 22a-209, 22a-213, 22a-220, 22a-231, 22a-  
278 245a, 22a-336, 22a-342, 22a-345, 22a-346, 22a-347, 22a-349a, 22a-354p,  
279 22a-358, 22a-359, 22a-361, 22a-362, 22a-368, 22a-401 to 22a-405, inclusive,  
280 22a-411, 22a-411a, 22a-416, 22a-417, 22a-424 to 22a-433, inclusive, 22a-  
281 447, 22a-449, 22a-450, 22a-451, 22a-454, 22a-458, 22a-461, 22a-462 or 22a-  
282 471, or any regulation, order or permit adopted or issued thereunder by  
283 the commissioner, and for other violations of similar character as set

284 forth in such schedule or schedules, no more than one thousand dollars  
285 for said violation and in addition no more than one hundred dollars for  
286 each day during which such violation continues;

287 (2) For deposit, placement, removal, disposal, discharge or emission  
288 of any material or substance or electromagnetic radiation or the causing  
289 of, engaging in or maintaining of any condition or activity in violation  
290 of any provision of section 14-100b, [or] 14-164c or section 2 of this act,  
291 subdivision (3) of subsection (b) of section 15-121, section 15-171, 15-172,  
292 15-175, 22a-5, 22a-6, 22a-7, 22a-32, 22a-39 or 22a-42a, 22a-45a, chapter  
293 441, sections 22a-134 to 22a-134d, inclusive, section 22a-69 or 22a-74,  
294 subsection (b) of section 22a-134p, section 22a-162, 22a-171, 22a-174, 22a-  
295 175, 22a-177, 22a-178, 22a-181, 22a-183, 22a-184, 22a-190, 22a-208, 22a-  
296 208a, 22a-209, 22a-213, 22a-220, 22a-336, 22a-342, 22a-345, 22a-346, 22a-  
297 347, 22a-349a, 22a-354p, 22a-358, 22a-359, 22a-361, 22a-362, 22a-368, 22a-  
298 401 to 22a-405, inclusive, 22a-411, 22a-411a, 22a-416, 22a-417, 22a-424 to  
299 22a-433, inclusive, 22a-447, 22a-449, 22a-450, 22a-451, 22a-454, 22a-458,  
300 22a-461, 22a-462 or 22a-471, or any regulation, order or permit adopted  
301 thereunder by the commissioner, and for other violations of similar  
302 character as set forth in such schedule or schedules, no more than  
303 twenty-five thousand dollars for said violation for each day during  
304 which such violation continues;

305 (3) For violation of the terms of any final order of the commissioner,  
306 except final orders under subsection (d) of this section and emergency  
307 orders and cease and desist orders as set forth in subdivision (4) of this  
308 subsection, for violation of the terms of any permit issued by the  
309 commissioner, and for other violations of similar character as set forth  
310 in such schedule or schedules, no more than twenty-five thousand  
311 dollars for said violation for each day during which such violation  
312 continues;

313 (4) For violation of any emergency order or cease and desist order of  
314 the commissioner, and for other violations of similar character as set  
315 forth in such schedule or schedules, no more than twenty-five thousand  
316 dollars for said violation for each day during which such violation

317 continues;

318 (5) For failure to make an immediate report required pursuant to  
319 subdivision (3) of subsection (a) of section 22a-135, or a report required  
320 by the department pursuant to subsection (b) of section 22a-135, no  
321 more than twenty-five thousand dollars per violation per day;

322 (6) For violation of any provision of the state's hazardous waste  
323 program, no more than twenty-five thousand dollars per violation per  
324 day;

325 (7) For wilful violation of any condition imposed pursuant to section  
326 26-313 which leads to the destruction of, or harm to, any rare, threatened  
327 or endangered species, no more than ten thousand dollars per violation  
328 per day;

329 (8) For violation of any provision of sections 22a-608 to 22a-611,  
330 inclusive, no more than the amount established by Section 325 of the  
331 Emergency Planning and Community Right-To-Know Act of 1986 (42  
332 USC 11001 et seq.) for a violation of Section 302, 304 or 311 to 313,  
333 inclusive, of said act.

334 Sec. 6. Section 22a-9 of the general statutes is repealed and the  
335 following is substituted in lieu thereof (*Effective October 1, 2021*):

336 The commissioner shall act as the official agent of the state in all  
337 matters affecting the purposes of this title and sections 2-20a, 5-238a,  
338 subsection (c) of section 7-131a, sections 7-131e, 7-131f, subsection (a) of  
339 section 7-131g, sections 7-131i, 7-131l, subsection (a) of section 10-409,  
340 subdivisions (51) and (52) of section 12-81, subdivisions (21) and (22) of  
341 section 12-412, subsections (a) and (b) of section 13a-94, sections 13a-  
342 142a, 13b-56, 13b-57, 14-100b, 14-164c, as amended by this act, section 2  
343 of this act, chapter 268, sections 16a-103, 22-91c, 22-91e, subsections (b)  
344 and (c) of section 22a-148, section 22a-150, subdivisions (2) and (3) of  
345 section 22a-151, sections 22a-153, 22a-154, 22a-155, 22a-158, chapter  
346 446c, sections 22a-295, 22a-300, 22a-308, 22a-416, chapters 446h to 446k,  
347 inclusive, chapters 447 and 448, sections 23-35, 23-37a, 23-41, chapter

348 462, section 25-34, chapter 477, subsection (b) of section 25-128,  
349 subsection (a) of section 25-131, chapters 490 and 491 and sections 26-  
350 257, 26-297, 26-303 and 47-46a, under any federal laws now or hereafter  
351 to be enacted and as the official agent of any municipality, district,  
352 region or authority or other recognized legal entity in connection with  
353 the grant or advance of any federal or other funds or credits to the state  
354 or through the state, to its political subdivisions.

355 Sec. 7. Subdivision (1) of subsection (a) of section 12-431 of the general  
356 statutes is repealed and the following is substituted in lieu thereof  
357 (*Effective October 1, 2021, and applicable to sales occurring on or after October*  
358 *1, 2021*):

359 (a) (1) (A) Except as otherwise provided in subdivision (2) or (3) of  
360 this subsection, in case of the purchase of any motor vehicle,  
361 snowmobile, vessel or aircraft other than from a licensed motor vehicle  
362 dealer or licensed motor vehicle lessor, a snowmobile dealer, a licensed  
363 marine dealer or a retailer of aircraft, respectively, the receipts therefrom  
364 shall not be included in the measure of the sales tax, but the purchaser  
365 thereof shall pay a use tax on the total purchase price thereof to the  
366 Commissioner of Revenue Services, as provided in section 12-411, as  
367 amended by this act, in the case of tangible personal property purchased  
368 from a retailer, and, in the case of motor vehicles, vessels and  
369 snowmobiles, before obtaining an original or transferal registration, in  
370 accordance with regulations prescribed by the Commissioner of  
371 Revenue Services and on forms approved by the Commissioner of  
372 Revenue Services and the Commissioner of Motor Vehicles, and, in the  
373 case of aircraft, before obtaining an original or transferal registration, in  
374 accordance with regulations prescribed by the Commissioner of  
375 Revenue Services and on forms approved by the Commissioner of  
376 Revenue Services and the Commissioner of Transportation.

377 (B) Each person, other than an employee of a licensed motor vehicle  
378 dealer or licensed motor vehicle lessor, who sells a motor vehicle shall  
379 provide to the purchaser of such motor vehicle a written statement  
380 attesting that such motor vehicle was in compliance with the provisions

381 of subdivision (2) of subsection (a) of section 2 of this act at the time of  
382 purchase. Such purchaser shall include a copy of such statement with  
383 the payment of the use tax pursuant to subparagraph (A) of this  
384 subdivision.

385 Sec. 8. Subdivision (1) of section 12-408 of the general statutes is  
386 repealed and the following is substituted in lieu thereof (*Effective October*  
387 *1, 2021, and applicable to sales occurring on or after October 1, 2021*):

388 (1) (A) For the privilege of making any sales, as defined in  
389 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
390 for a consideration, a tax is hereby imposed on all retailers at the rate of  
391 six and thirty-five-hundredths per cent of the gross receipts of any  
392 retailer from the sale of all tangible personal property sold at retail or  
393 from the rendering of any services constituting a sale in accordance with  
394 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said  
395 rate, the rates provided in subparagraphs (B) to [(I)] (J), inclusive, of this  
396 subdivision;

397 (B) (i) At a rate of fifteen per cent with respect to each transfer of  
398 occupancy, from the total amount of rent received by a hotel or lodging  
399 house for the first period not exceeding thirty consecutive calendar  
400 days;

401 (ii) At a rate of eleven per cent with respect to each transfer of  
402 occupancy, from the total amount of rent received by a bed and  
403 breakfast establishment for the first period not exceeding thirty  
404 consecutive calendar days;

405 (C) With respect to the sale of a motor vehicle to any individual who  
406 is a member of the armed forces of the United States and is on full-time  
407 active duty in Connecticut and who is considered, under 50 App USC  
408 574, a resident of another state, or to any such individual and the spouse  
409 thereof, at a rate of four and one-half per cent of the gross receipts of any  
410 retailer from such sales, provided such retailer requires and maintains a  
411 declaration by such individual, prescribed as to form by the  
412 commissioner and bearing notice to the effect that false statements made

413 in such declaration are punishable, or other evidence, satisfactory to the  
414 commissioner, concerning the purchaser's state of residence under 50  
415 App USC 574;

416 (D) (i) With respect to the sales of computer and data processing  
417 services occurring on or after July 1, 2001, at the rate of one per cent, and  
418 (ii) with respect to sales of Internet access services, on and after July 1,  
419 2001, such services shall be exempt from such tax;

420 (E) (i) With respect to the sales of labor that is otherwise taxable under  
421 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section  
422 12-407 on existing vessels and repair or maintenance services on vessels  
423 occurring on and after July 1, 1999, such services shall be exempt from  
424 such tax;

425 (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer  
426 used for transporting a vessel, at the rate of two and ninety-nine-  
427 hundredths per cent, except that the sale of a vessel shall be exempt from  
428 such tax if such vessel is docked in this state for sixty or fewer days in a  
429 calendar year;

430 (iii) With respect to the sale of dyed diesel fuel, as defined in  
431 subsection (d) of section 12-487, sold by a marine fuel dock exclusively  
432 for marine purposes, at the rate of two and ninety-nine-hundredths per  
433 cent;

434 (F) With respect to patient care services for which payment is  
435 received by the hospital on or after July 1, 1999, and prior to July 1, 2001,  
436 at the rate of five and three-fourths per cent and on and after July 1, 2001,  
437 such services shall be exempt from such tax;

438 (G) With respect to the rental or leasing of a passenger motor vehicle  
439 for a period of thirty consecutive calendar days or less, at a rate of nine  
440 and thirty-five-hundredths per cent;

441 (H) With respect to the sale of (i) a motor vehicle for a sales price  
442 exceeding fifty thousand dollars, at a rate of seven and three-fourths per  
443 cent on the entire sales price, (ii) jewelry, whether real or imitation, for

444 a sales price exceeding five thousand dollars, at a rate of seven and  
445 three-fourths per cent on the entire sales price, and (iii) an article of  
446 clothing or footwear intended to be worn on or about the human body,  
447 a handbag, luggage, umbrella, wallet or watch for a sales price  
448 exceeding one thousand dollars, at a rate of seven and three-fourths per  
449 cent on the entire sales price. For purposes of this subparagraph, "motor  
450 vehicle" has the meaning provided in section 14-1, but does not include  
451 a motor vehicle subject to the provisions of subparagraph (C) of this  
452 subdivision, a motor vehicle having a gross vehicle weight rating over  
453 twelve thousand five hundred pounds, or a motor vehicle having a  
454 gross vehicle weight rating of twelve thousand five hundred pounds or  
455 less that is not used for private passenger purposes, but is designed or  
456 used to transport merchandise, freight or persons in connection with  
457 any business enterprise and issued a commercial registration or more  
458 specific type of registration by the Department of Motor Vehicles;

459 (I) With respect to the sale of meals, as defined in subdivision (13) of  
460 section 12-412, sold by an eating establishment, caterer or grocery store;  
461 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages  
462 such as are ordinarily dispensed at bars and soda fountains, or in  
463 connection therewith; in addition to the tax imposed under  
464 subparagraph (A) of this subdivision, at the rate of one per cent;

465 (J) (i) Notwithstanding the provisions of subparagraph (C) or (H) of  
466 this subdivision, with respect to the sale of a motorcycle that exceeds the  
467 maximum decibel level permitted pursuant to section 14-80a and any  
468 regulations adopted thereunder, at the rate of fifty per cent;

469 (ii) With respect to the sale of an aftermarket motorcycle muffler that  
470 exceeds the maximum decibel level permitted pursuant to section 14-  
471 80a and any regulations adopted thereunder, at the rate of fifty per cent;

472 ~~[(J)]~~ (K) The rate of tax imposed by this chapter shall be applicable to  
473 all retail sales upon the effective date of such rate, except that a new rate  
474 that represents an increase in the rate applicable to the sale shall not  
475 apply to any sales transaction wherein a binding sales contract without  
476 an escalator clause has been entered into prior to the effective date of the

477 new rate and delivery is made within ninety days after the effective date  
478 of the new rate. For the purposes of payment of the tax imposed under  
479 this section, any retailer of services taxable under subdivision (37) of  
480 subsection (a) of section 12-407, who computes taxable income, for  
481 purposes of taxation under the Internal Revenue Code of 1986, or any  
482 subsequent corresponding internal revenue code of the United States,  
483 as amended from time to time, on an accounting basis that recognizes  
484 only cash or other valuable consideration actually received as income  
485 and who is liable for such tax only due to the rendering of such services  
486 may make payments related to such tax for the period during which  
487 such income is received, without penalty or interest, without regard to  
488 when such service is rendered;

489 ~~[(K)]~~ (L) (i) For calendar quarters ending on or after September 30,  
490 2019, the commissioner shall deposit into the regional planning  
491 incentive account, established pursuant to section 4-66k, six and seven-  
492 tenths per cent of the amounts received by the state from the tax  
493 imposed under subparagraph (B) of this subdivision and ten and seven-  
494 tenths per cent of the amounts received by the state from the tax  
495 imposed under subparagraph (G) of this subdivision;

496 (ii) For calendar quarters ending on or after September 30, 2018, the  
497 commissioner shall deposit into the Tourism Fund established under  
498 section 10-395b ten per cent of the amounts received by the state from  
499 the tax imposed under subparagraph (B) of this subdivision;

500 ~~[(L)]~~ (M) For calendar months commencing on or after July 1, 2021,  
501 the commissioner shall deposit into the municipal revenue sharing  
502 account established pursuant to section 4-66l seven and nine-tenths per  
503 cent of the amounts received by the state from the tax imposed under  
504 subparagraph (A) of this subdivision; and

505 ~~[(M)]~~ (N) (i) For calendar months commencing on or after July 1, 2017,  
506 the commissioner shall deposit into the Special Transportation Fund  
507 established under section 13b-68 seven and nine-tenths per cent of the  
508 amounts received by the state from the tax imposed under  
509 subparagraph (A) of this subdivision;

510 (ii) For calendar months commencing on or after July 1, 2018, but  
511 prior to July 1, 2019, the commissioner shall deposit into the Special  
512 Transportation Fund established under section 13b-68 eight per cent of  
513 the amounts received by the state from the tax imposed under  
514 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
515 vehicle;

516 (iii) For calendar months commencing on or after July 1, 2019, but  
517 prior to July 1, 2020, the commissioner shall deposit into the Special  
518 Transportation Fund established under section 13b-68 seventeen per  
519 cent of the amounts received by the state from the tax imposed under  
520 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
521 vehicle;

522 (iv) For calendar months commencing on or after July 1, 2020, but  
523 prior to July 1, 2021, the commissioner shall deposit into the Special  
524 Transportation Fund established under section 13b-68 twenty-five per  
525 cent of the amounts received by the state from the tax imposed under  
526 subparagraphs (A) and (H) of this subdivision on the sale of a motor  
527 vehicle;

528 (v) For calendar months commencing on or after July 1, 2021, but  
529 prior to July 1, 2022, the commissioner shall deposit into the Special  
530 Transportation Fund established under section 13b-68 seventy-five per  
531 cent of the amounts received by the state from the tax imposed under  
532 subparagraphs (A), [and] (H) and (J)(i) of this subdivision on the sale of  
533 a motor vehicle; and

534 (vi) For calendar months commencing on or after July 1, 2022, the  
535 commissioner shall deposit into the Special Transportation Fund  
536 established under section 13b-68 one hundred per cent of the amounts  
537 received by the state from the tax imposed under subparagraphs (A),  
538 [and] (H) and (J)(i) of this subdivision on the sale of a motor vehicle.

539 Sec. 9. Subdivision (1) of section 12-411 of the general statutes is  
540 repealed and the following is substituted in lieu thereof (*Effective October*  
541 *1, 2021, and applicable to sales occurring on or after October 1, 2021*):

542 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
543 consumption or any other use in this state of tangible personal property  
544 purchased from any retailer for storage, acceptance, consumption or any  
545 other use in this state, the acceptance or receipt of any services  
546 constituting a sale in accordance with subdivision (2) of subsection (a)  
547 of section 12-407, purchased from any retailer for consumption or use in  
548 this state, or the storage, acceptance, consumption or any other use in  
549 this state of tangible personal property which has been manufactured,  
550 fabricated, assembled or processed from materials by a person, either  
551 within or without this state, for storage, acceptance, consumption or any  
552 other use by such person in this state, to be measured by the sales price  
553 of materials, at the rate of six and thirty-five-hundredths per cent of the  
554 sales price of such property or services, except, in lieu of said rate:

555 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or lodging  
556 house for the first period not exceeding thirty consecutive calendar  
557 days;

558 (ii) At a rate of eleven per cent of the rent paid to a bed and breakfast  
559 establishment for the first period not exceeding thirty consecutive  
560 calendar days;

561 (C) With respect to the storage, acceptance, consumption or use in  
562 this state of a motor vehicle purchased from any retailer for storage,  
563 acceptance, consumption or use in this state by any individual who is a  
564 member of the armed forces of the United States and is on full-time  
565 active duty in Connecticut and who is considered, under 50 App USC  
566 574, a resident of another state, or to any such individual and the spouse  
567 of such individual at a rate of four and one-half per cent of the sales price  
568 of such vehicle, provided such retailer requires and maintains a  
569 declaration by such individual, prescribed as to form by the  
570 commissioner and bearing notice to the effect that false statements made  
571 in such declaration are punishable, or other evidence, satisfactory to the  
572 commissioner, concerning the purchaser's state of residence under 50  
573 App USC 574;

574 (D) (i) With respect to the acceptance or receipt in this state of labor

575 that is otherwise taxable under subparagraph (C) or (G) of subdivision  
576 (2) of subsection (a) of section 12-407 on existing vessels and repair or  
577 maintenance services on vessels occurring on and after July 1, 1999, such  
578 services shall be exempt from such tax;

579 (ii) (I) With respect to the storage, acceptance or other use of a vessel  
580 in this state, at the rate of two and ninety-nine-hundredths per cent,  
581 except that such storage, acceptance or other use shall be exempt from  
582 such tax if such vessel is docked in this state for sixty or fewer days in a  
583 calendar year;

584 (II) With respect to the storage, acceptance or other use of a motor for  
585 a vessel or a trailer used for transporting a vessel in this state, at the rate  
586 of two and ninety-nine-hundredths per cent;

587 (III) With respect to the storage, acceptance or other use of dyed diesel  
588 fuel, as defined in subsection (d) of section 12-487, exclusively for  
589 marine purposes, at the rate of two and ninety-nine-hundredths per  
590 cent;

591 (E) (i) With respect to the acceptance or receipt in this state of  
592 computer and data processing services purchased from any retailer for  
593 consumption or use in this state occurring on or after July 1, 2001, at the  
594 rate of one per cent of such services, and (ii) with respect to the  
595 acceptance or receipt in this state of Internet access services, on and after  
596 July 1, 2001, such services shall be exempt from such tax;

597 (F) With respect to the acceptance or receipt in this state of patient  
598 care services purchased from any retailer for consumption or use in this  
599 state for which payment is received by the hospital on or after July 1,  
600 1999, and prior to July 1, 2001, at the rate of five and three-fourths per  
601 cent and on and after July 1, 2001, such services shall be exempt from  
602 such tax;

603 (G) With respect to the rental or leasing of a passenger motor vehicle  
604 for a period of thirty consecutive calendar days or less, at a rate of nine  
605 and thirty-five-hundredths per cent;

606 (H) With respect to the acceptance or receipt in this state of (i) a motor  
607 vehicle for a sales price exceeding fifty thousand dollars, at a rate of  
608 seven and three-fourths per cent on the entire sales price, (ii) jewelry,  
609 whether real or imitation, for a sales price exceeding five thousand  
610 dollars, at a rate of seven and three-fourths per cent on the entire sales  
611 price, and (iii) an article of clothing or footwear intended to be worn on  
612 or about the human body, a handbag, luggage, umbrella, wallet or  
613 watch for a sales price exceeding one thousand dollars, at a rate of seven  
614 and three-fourths per cent on the entire sales price. For purposes of this  
615 subparagraph, "motor vehicle" has the meaning provided in section 14-  
616 1, but does not include a motor vehicle subject to the provisions of  
617 subparagraph (C) of this subdivision, a motor vehicle having a gross  
618 vehicle weight rating over twelve thousand five hundred pounds, or a  
619 motor vehicle having a gross vehicle weight rating of twelve thousand  
620 five hundred pounds or less that is not used for private passenger  
621 purposes, but is designed or used to transport merchandise, freight or  
622 persons in connection with any business enterprise and issued a  
623 commercial registration or more specific type of registration by the  
624 Department of Motor Vehicles;

625 (I) With respect to the acceptance or receipt in this state of meals, as  
626 defined in subdivision (13) of section 12-412, sold by an eating  
627 establishment, caterer or grocery store; and spirituous, malt or vinous  
628 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed  
629 at bars and soda fountains, or in connection therewith; in addition to the  
630 tax imposed under subparagraph (A) of this subdivision, at the rate of  
631 one per cent;

632 (J) (i) Notwithstanding the provisions of subparagraph (C) or (H) of  
633 this subdivision, with respect to the storage, acceptance, consumption  
634 or use in this state of a motorcycle that exceeds the maximum decibel  
635 level permitted pursuant to section 14-80a and any regulations adopted  
636 thereunder, at the rate of fifty per cent;

637 (ii) With respect to the storage, acceptance, consumption or use in this  
638 state of an aftermarket motorcycle muffler that exceeds the maximum

639 decibel level permitted pursuant to section 14-80a and any regulations  
640 adopted thereunder, at the rate of fifty per cent;

641 [(J)] (K) (i) For calendar quarters ending on or after September 30,  
642 2019, the commissioner shall deposit into the regional planning  
643 incentive account, established pursuant to section 4-66k, six and seven-  
644 tenths per cent of the amounts received by the state from the tax  
645 imposed under subparagraph (B) of this subdivision and ten and seven-  
646 tenths per cent of the amounts received by the state from the tax  
647 imposed under subparagraph (G) of this subdivision;

648 (ii) For calendar quarters ending on or after September 30, 2018, the  
649 commissioner shall deposit into the Tourism Fund established under  
650 section 10-395b ten per cent of the amounts received by the state from  
651 the tax imposed under subparagraph (B) of this subdivision;

652 [(K)] (L) For calendar months commencing on or after July 1, 2021,  
653 the commissioner shall deposit into said municipal revenue sharing  
654 account seven and nine-tenths per cent of the amounts received by the  
655 state from the tax imposed under subparagraph (A) of this subdivision;  
656 and

657 [(L)] (M) (i) For calendar months commencing on or after July 1, 2017,  
658 the commissioner shall deposit into said Special Transportation Fund  
659 seven and nine-tenths per cent of the amounts received by the state from  
660 the tax imposed under subparagraph (A) of this subdivision;

661 (ii) For calendar months commencing on or after July 1, 2018, but  
662 prior to July 1, 2019, the commissioner shall deposit into the Special  
663 Transportation Fund established under section 13b-68 eight per cent of  
664 the amounts received by the state from the tax imposed under  
665 subparagraphs (A) and (H) of this subdivision on the acceptance or  
666 receipt in this state of a motor vehicle;

667 (iii) For calendar months commencing on or after July 1, 2019, but  
668 prior to July 1, 2020, the commissioner shall deposit into the Special  
669 Transportation Fund established under section 13b-68 seventeen per

670 cent of the amounts received by the state from the tax imposed under  
 671 subparagraphs (A) and (H) of this subdivision on the acceptance or  
 672 receipt in this state of a motor vehicle;

673 (iv) For calendar months commencing on or after July 1, 2020, but  
 674 prior to July 1, 2021, the commissioner shall deposit into the Special  
 675 Transportation Fund established under section 13b-68 twenty-five per  
 676 cent of the amounts received by the state from the tax imposed under  
 677 subparagraphs (A) and (H) of this subdivision on the acceptance or  
 678 receipt in this state of a motor vehicle;

679 (v) For calendar months commencing on or after July 1, 2021, but  
 680 prior to July 1, 2022, the commissioner shall deposit into the Special  
 681 Transportation Fund established under section 13b-68 seventy-five per  
 682 cent of the amounts received by the state from the tax imposed under  
 683 subparagraphs (A), [and] (H) and (J)(i) of this subdivision on the  
 684 acceptance or receipt in this state of a motor vehicle; and

685 (vi) For calendar months commencing on or after July 1, 2022, the  
 686 commissioner shall deposit into the Special Transportation Fund  
 687 established under section 13b-68 one hundred per cent of the amounts  
 688 received by the state from the tax imposed under subparagraphs (A),  
 689 [and] (H) and (J)(i) of this subdivision on the acceptance or receipt in  
 690 this state of a motor vehicle.

|   |   |              |
|---|---|--------------|
| This act shall take effect as follows and shall amend the following sections: |   |              |
| Section 1   | <i>October 1, 2021</i>  | 14-164c(c)   |
| Sec. 2  | <i>October 1, 2021</i>  | New section  |
| Sec. 3  | <i>October 1, 2021</i>  | New section  |
| Sec. 4  | <i>October 1, 2021</i>  | 22a-6a       |
| Sec. 5  | <i>October 1, 2021</i>  | 22a-6b(a)    |
| Sec. 6  | <i>October 1, 2021</i>  | 22a-9        |
| Sec. 7  | <i>October 1, 2021, and applicable to sales occurring on or after October 1, 2021</i> | 12-431(a)(1) |

|        |   |           |
|--------|---|-----------|
| Sec. 8 | <i>October 1, 2021, and applicable to sales occurring on or after October 1, 2021</i> | 12-408(1) |
| Sec. 9 | <i>October 1, 2021, and applicable to sales occurring on or after October 1, 2021</i> | 12-411(1) |

**Statement of Legislative Commissioners:**

In Section 2(a)(1), "that is subject to such requirements" was added for clarity; Section 2(a)(3) was deleted to eliminate redundant language; and in Sections 8(1)(N)(v) and (vi) and 9(1)(M)(v) and (vi), references to Subpara. (J)(i) were added for accuracy.

**FIN**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

| Agency Affected                                   | Fund-Effect  | FY 22 \$              | FY 23 \$      |
|---|--|-----------------------|---------------|
| Department of Energy and Environmental Protection | GF - Cost  | 162,479               | 164,666       |
| State Comptroller - Fringe Benefits <sup>1</sup>  | GF - Cost  | 25,804                | 26,707        |
| Department of Motor Vehicles                      | Auto Emissions Inspection Fund or Transportation Fund - Cost | 2,000,000 - 2,500,000 | None          |
| Department of Motor Vehicles                      | Auto Emissions Inspection - Revenue Gain                     | Up to 60,000          | Up to 80,000  |
| Department of Motor Vehicles                      | GF or TF - Revenue Gain                                      | 1,350,000             | 1,800,000     |
| Department of Motor Vehicles                      | TF - Revenue Gain  | Up to 90,000          | Up to 120,000 |
| Resources of the General Fund                     | GF - Revenue Gain  | Minimal               | Minimal       |
| State Revenues                                    | GF&TF - Uncertain  | See Below             | See Below     |

Note: GF=General Fund; TF=Transportation Fund; GF&TF=General Fund & Transportation Fund

**Municipal Impact:** None

**Explanation**

Sections 1 & 2 eliminate the emissions test exemption for motorcycles and establish a new noise inspection test for all motor vehicles that are subject to emissions inspection. These sections result in both upfront costs for the Department of Energy and Environmental Protection

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

(DEEP) and the Department of Motor Vehicles (DMV) to establish the program as well as ongoing inspection and late fee revenue, as described below.

The bill requires DEEP to provide specific technical information to DMV on 1) motorcycle emission control features and equipment and 2) motor vehicle noise inspections, resulting in costs of up to \$100,000 in both FY 22 and FY 23 for a consultant and costs of \$88,283 in FY 22 and \$91,373 in FY 23 for one new Environmental Analyst (inclusive of fringe benefits). These costs are based on similar consultant services provided to DEEP for noise impact assessments as well as on the requirement to furnish technical standards for testing motorcycle emissions because, unlike for light-duty vehicles, federal government regulations do not provide these standards for motorcycles.

The bill results in a cost to DMV of between \$2,000,000 and \$2,500,000 in FY 22 to purchase the requisite decibel testing equipment and to modify the department's information technology systems. It is uncertain whether these costs would be funded through the Auto Emissions Inspection Fund (emissions test revenue) or the STF (DMV's primary funding source).

The bill permits DMV to establish two new fees, including 1) a fee of up to \$20 for each motorcycle emissions test, resulting in a revenue gain of up to \$60,000 in FY 22 and \$80,000 in FY 23 for the Auto Emissions Inspections Fund and 2) an additional fee of up to \$20 for each noise inspection, resulting in a revenue gain of approximately \$1,350,000 in FY 22 and \$1,800,000 in FY 23.<sup>2</sup> The bill does not specify the fund where the noise inspection fee would be deposited.

The bill also requires DMV to assess a \$20 fee for late motorcycle emissions reinspection. Assuming a comparable percentage of late fees for motorcycles as DMV has experiences for current passenger vehicles, this is anticipated to result in revenue gain of up to \$90,000 in FY 22 and

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<sup>2</sup> Most of the current \$20 emissions fee is retained by DMV's emissions contractor to cover costs of the program. The estimates shown here reflect DMV's share of the fee and is based on registration and emissions data provided by the department.

up to \$120,000 in FY 23 for the STF.

**Section 3** creates new infractions for violating certain noise provisions of the bill and, to the extent that offenders are fined, results in potential minimal revenue.

**Section 5** subjects the bill's motorcycle and noise inspection requirements to certain civil penalties that DEEP may adopt through regulation. Existing motor vehicle emissions statutes are currently subject to these penalties; however, because DEEP has not adopted any penalty schedule, this section is not expected to result in a fiscal impact.

**Sections 8 & 9** increase to 50% the sales and use tax rate on motorcycles and mufflers that exceed state noise limits. The revenue impact of this provision is uncertain. To the extent the new rate does not affect sales of affected items, there is a revenue gain to the GF and STF. To the extent the increased tax rate results in lower sales volume, there is a revenue loss to the GF and STF.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of vehicles subject to testing, the terms of DMV's emissions administration contract, any civil penalty scheduled adopted by DEEP, or as otherwise described above.

**OLR Bill Analysis****sSB 1103*****AN ACT CONCERNING EMISSIONS AND DECIBEL LEVEL TESTING AND THE TAXATION OF CERTAIN MOTORCYCLES AND PARTS.*****SUMMARY**

This bill (1) requires all motor vehicles that must get an emissions inspection to also obtain an inspection of their vehicle's maximum decibel (dB) level (i.e., noise inspection) to determine compliance with vehicle noise limits (see BACKGROUND) and (2) subjects most motorcycles to emissions inspection requirements.

The bill also increases to 50% the sales and use tax rate on motorcycles and aftermarket motorcycle mufflers that exceed existing noise limits.

The bill's provisions on noise inspections generally parallel those for emissions inspections. Among other things, they (1) allow the Department of Motor Vehicles (DMV) to establish a fee for noise inspections; (2) allow DMV to enter into or amend agreements with contractors to provide noise inspections; (3) require the Department of Energy and Environmental Protection (DEEP) to provide DMV with technical information, including testing techniques, standards, and instructions; and (4) allow the DMV commissioner to deny or revoke a registration if a motor vehicle does not receive a noise inspection or fails to pay a required fee.

Finally, the bill allows DMV to adopt regulations to implement the motorcycle emissions inspection and noise inspection requirements.

EFFECTIVE DATE: October 1, 2021, and the sales and use tax provisions are applicable to sales on or after that date.

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**§§ 1-6 — MOTORCYCLE EMISSIONS INSPECTIONS & MOTOR VEHICLE NOISE INSPECTIONS*****Motorcycle Emissions Inspections (§ 1)***

The bill eliminates the general emissions inspection exemption for motorcycles, thus subjecting most motorcycles to biennial emissions inspections. As under current law for other motor vehicles, motorcycles four or fewer model years old are exempt from inspection.

***Motor Vehicle Noise Level Inspections (§§ 2(a), 3(b) & (c))***

The bill requires each motor vehicle that must have an emissions inspection to also get a noise inspection when it is presented for an emissions inspection. The bill caps the maximum decibel level for a motor vehicle at the existing state's noise limit, when it is measured using procedures in existing law (see BACKGROUND).

***Prohibitions.*** The bill prohibits vehicles subject to noise inspections from being driven in the state without being tested in accordance with the schedule the commissioner prescribes.

The bill also (1) prohibits motor vehicle dealers from selling any vehicle that has not had a noise inspection or met the noise limit requirements and (2) specifically prohibits people, firms, and corporations from driving or allowing to be driven a motor vehicle that has not received a noise inspection and found to be in compliance with the noise limits. Violations of either of these provisions are infractions, but the fine for a first violation is \$50.

Existing law already prohibits selling new vehicles that produce a maximum decibel level that exceeds the law's noise limit (CGS § 14-80a).

***Registration Penalties.*** The bill allows the DMV commissioner to deny a registration issuance or renewal or revoke an existing registration if a motor vehicle does not receive a noise inspection as required or fails to pay the required fee.

***Waivers and Retests.*** The bill allows the DMV commissioner to do the following:

1. grant waivers from complying with the standards for vehicles that fail the inspection and require repair costs that the commissioner determines are unreasonable;
2. determine compliance of a vehicle that fails a noise inspection retest using a complete physical and functional diagnosis and vehicle inspection showing that no additional noise-related repairs are needed; and
3. grant one extension, for up to two years, for obtaining needed repairs if the owner has economic hardship.

### ***DEEP Standards and Technical Information (§ 2(b))***

The bill requires the DEEP commissioner to consult with the DMV commissioner and provide DMV with technical information, including testing techniques, standards, and instructions for (1) motorcycle emission control features and equipment and (2) motor vehicle noise inspections. The standards must be (1) consistent with federal law and applicable DEEP regulations and (2) periodically reviewed and, if necessary, revised by DEEP to achieve the inspection programs' objectives. DEEP already does this for the existing emissions inspection program.

### ***Agreements With Contractors (§ 2(c))***

The bill allows the DMV commissioner to enter into a negotiated inspection agreement with one or more independent contractors, in accordance with the existing emissions inspection law, to provide for leasing, constructing, equipping, maintaining, or operating a system of official emissions inspection stations in numbers and locations as needed to provide (1) motorcycle owners reasonably convenient access to inspection facilities and (2) motor vehicle owners reasonably convenient access to noise inspection. The commissioner may also amend existing agreements to allow emission facilities to provide emissions inspections to motorcycles and noise inspections to all motor vehicles. All contractors and inspection facilities must comply with applicable provisions in the emissions inspection laws.

**Testing Fees (§ 2(d))**

The bill requires the DMV commissioner, with the Office of Policy and Management secretary's approval, to establish and modify motorcycle emissions inspection or reinspection fees, which may not exceed \$20 each. (This is the same fee amount available under the existing emissions inspection law, and in practice, the fee is \$20.)

The bill also allows the commissioner to establish and modify an additional fee for motor vehicle noise inspection, as long as it does not exceed the emissions test fee.

Under the bill, the fees must be paid as the commissioner prescribes. And if the inspection programs' costs, including administrative costs and payments to contractors, exceed fee income, the state must cover the excess costs.

**Late Fees and Reinspection After Repair.** The bill applies the same late fees (\$20) and reinspection requirements to motorcycle emissions inspections that apply to existing emissions inspections. (It is unclear whether these apply to noise inspections.)

**Liability (§ 4)**

The bill extends to motorcycle emissions inspection and motor vehicle noise inspection violations certain liability provisions that apply to existing emissions inspection violations. Specifically, it makes anyone who knowingly or negligently violates the bill's inspection requirements or a related regulation, order, or permit issued by DEEP, liable to the state for the state's reasonable costs to detect, investigate, control, and abate the violation. A violator is also liable for (1) the state's reasonable costs to restore natural resources to their condition before the violation or (2) damages caused by the violation.

**Civil Penalties (§ 5)**

Existing law requires the DEEP commissioner to adopt regulations on the civil penalties that may be imposed for causing, maintaining, or engaging in a condition that violates certain environmental laws, or associated regulations, orders, or permits. The penalty must be of an

amount to ensure compliance but cannot exceed \$25,000 per day. The motor vehicles emission inspection statute is already subject to this penalty provision and the bill applies it to the bill's noise inspection requirement. (DEEP has not adopted any penalty.)

### ***DEEP as Agent of the State (§ 6)***

The bill makes DEEP the official agent of the state in all matters concerning noise inspections under any current and future federal laws. This provision applies under existing law to the emissions inspection statute.

### **§ 3 — MODIFYING OR REMOVING NOISE LIMITING EQUIPMENT**

In addition to existing related requirements (see below), the bill prohibits anyone from (1) failing to maintain, in good working order, any vehicle equipment or feature that limits the maximum decibel level the vehicle produces to a level at or below the law's noise limit or (2) removing, dismantling, or otherwise making the equipment or feature inoperable.

Under the bill, vehicle owners who violate these prohibitions face registration revocation, unless all parts and equipment that control noise are made operable and in good working order within 60 days after receiving a violation notice from DMV. Failing to maintain the equipment in good working order is also considered failing to comply with the bill's noise inspection requirements.

Existing law has the following related motor vehicle equipment requirements:

1. Motor vehicles and devices on them must be operated, equipped, constructed, and adjusted to prevent unnecessary or unusual noise.
2. Motor vehicles operated by internal combustion engines must have a muffler or mufflers designed to prevent excessive, unusual, or unnecessary exhaust noise.

3. Vehicle owners must maintain mufflers in good working order and ensure that the muffler is in use when driving the vehicle.
4. No one may remove all or part of a vehicle's muffler, except to repair or replace the muffler or part to more effectively prevent noise.

By law, anyone who violates the above existing requirements faces a \$150 fine (CGS § 14-80).

### **§§ 3 & 7 — STATEMENTS OF COMPLIANCE**

The bill requires sellers of motor vehicles to provide certain statements attesting that the vehicles they sold comply with the state's noise limit. Specifically, motor vehicle dealers must include with each sales tax return provided to the Department of Revenue Services a statement attesting that each vehicle sold during the return period did not exceed the noise limit. For casual sales, the vehicle's seller must provide the purchaser with this statement, and the purchaser must include a copy of it with the use tax payment when registering the vehicle with DMV.

### **§§ 8 & 9 — SALES AND USE TAX ON LOUD MOTORCYCLES AND MUFFLERS**

#### ***Motorcycles***

The bill increases to 50% the sales and use tax rate on motorcycles that exceed state noise limits. Under current law, the sales and use tax rate for motorcycles is 6.35%, except for motorcycles (1) with sales prices above \$50,000, which are taxed at 7.75%, or (2) sold to certain active duty military members, which are taxed at 4.5%.

The bill also makes conforming changes to direct revenue from the tax imposed at this new rate to the Special Transportation Fund (STF). Existing law directs an increasing portion of sales tax revenue from motor vehicle sales to the STF.

#### ***Aftermarket Mufflers***

The bill also increases to 50% from 6.35% the sales and use tax rate on

aftermarket motorcycle mufflers that exceed state noise limits. (It is unclear how a retailer would determine if a muffler would exceed these levels without it being attached to a vehicle since the maximum levels and the testing for compliance apply to operating vehicles, not specific parts.)

## **BACKGROUND**

### ***Vehicles Subject to Emissions Inspections***

State emissions inspection requirements apply to all motor vehicles except the following:

1. vehicles with a gross vehicle weight rating (GVWR) of more than 10,000 pounds;
2. electric vehicles, bicycles, or foot scooters;
3. bicycles with motors attached;
4. vehicles with temporary registrations or new vehicles at the time of initial registration;
5. vehicles manufactured at least 25 years ago or that are four or fewer model years old;
6. registered vehicles that are not designed primarily for highway use (e.g., snowmobiles and dirtbikes);
7. farm vehicles;
8. diesel-powered type II school buses;
9. vehicles operated by dealers or repairers to and from (a) a purchase or sale location or (b) an emissions testing site; and
10. vehicles registered as composite vehicles (CGS § 14-164c; Conn. Agencies Regs. § 14-164c-3b).

### ***Noise Limits for Motor Vehicles***

State law charges the DMV commissioner with setting motor vehicle

noise limits in regulations (CGS § 14-80a). The maximum permissible noise level varies based on the vehicle type; its age, weight, and current speed; and the road service on which it travels. For vehicles manufactured on or after January 1, 1979, it ranges from 72 dB to 92 dB. Table 1 provides the maximum levels for (1) vehicles with a GVWR of less than 10,000 pounds, which includes most passenger motor vehicles, and (2) motorcycles. Other types of vehicles have different limits (Conn. Agencies Regs. § 14-80a-4a).

**Table 1: Maximum Noise for Motor Vehicles With a GVWR of Less Than 10,000 Pounds and Motorcycles (Manufactured After 01/01/1979)**

|  | <i>Highway Operation</i> |                     |                       |                     | <i>Stationary</i> |                  |
|--|--------------------------|---------------------|-----------------------|---------------------|-------------------|------------------|
|  | <i>Soft Site</i>         |                     | <i>Hard Site</i>      |                     | <i>Soft Site</i>  | <i>Hard Site</i> |
| <i>Highway Speed</i>   | <i>35 MPH or Less</i>    | <i>Above 35 MPH</i> | <i>35 MPH or Less</i> | <i>Above 35 MPH</i> |                   |                  |
| <i>Motor Vehicles With a GVWR of Less Than 10,000 Pounds</i> | 72 dB (A)                | 79 dB (A)           | 74 dB (A)             | 81 dB (A)           | 72 dB (A)         | 74 dB (A)        |
| <i>Motorcycles</i>   | 78 dB (A)                | 82 dB (A)           | 80 dB (A)             | 84 dB (A)           | 78 dB (A)         | 80 dB (A)        |

**Testing Noise Level**

The law authorizes the DMV commissioner to establish a procedure for checking motor vehicle maximum noise levels. Under DMV regulations, a vehicle’s noise level must be measured (1) 50 feet from the centerline of the vehicle or (2) with a testing device calibrated to measure the sound at an equivalency of 50 feet. Testing conditions are defined as hard or soft test sites. A hard test site is a site with ground cover of concrete, asphalt, packed dirt, gravel, or similarly reflective material. A soft test site is a site covered by grass or similarly absorptive material (Conn. Agencies Regs. § 14-80a-8a).

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 37 Nay 11 (04/22/2021)