

Date of Hearing: August 10, 2020

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 1024 (Jones) – As Amended July 27, 2020

SENATE VOTE: 39-0

SUBJECT: Off-highway vehicles

SUMMARY: Establishes a new registration program for off-highway motorcycles and vehicles used in competition and makes other various changes to law related to identification and use of these vehicles. Specifically, **this bill:**

- 1) Requires an off-highway motorcycle or an all-terrain vehicle (ATV) that is model year 2022 or newer and is used solely for competition, not on a public highway, to have a vehicle identification number (VIN), to qualify for issuance or renewal of a competition identification sticker.
- 2) Requires a competition sticker for operating a competition motorcycle or ATV on public lands.
- 3) Requires a \$42 fee be paid to the Department of Motor Vehicles (DMV) for the issuance or renewal of a competition sticker for an off-highway vehicle (OHV) or ATV model year 2022 and newer. Requires DMV to deposit additional revenue, beyond its reasonable implementation costs, into the OHV Trust Fund. Further requires the revenue to be subject to appropriation by the Legislature for costs incurred by the Department of Parks and Recreation (Parks) related to competition motorcycle and ATV activities conducted on public lands.
- 4) Requires additional fees of \$9 and \$8 be paid to DMV for issuance or renewal of a competition sticker for OHVs model year 2022 and newer. Requires DMV to deposit the two fees in the Motor Vehicle Account (MVA) in the State Transportation Fund (STF). Further requires revenues from the \$8 fee to be available, upon appropriation by the Legislature, for costs related to California Highway Patrol (CHP) enforcement.
- 5) Requires an additional fee of \$4 for the issuance or renewal of a competition sticker, in lieu of all taxes.
- 6) Requires DMV to adjust the fees for competition stickers yearly based on the California Consumer Price Index.
- 7) Requires the California Air Resources Board (CARB), in consultation with Parks, to adopt a regulation by January 1, 2023, that provides the requirements for when competition motorcycles and ATVs are allowed to operate on public lands to practice for sanctioned competition events.
- 8) Requires riders to have a current and valid competition card from a competition-sanctioning organization when practicing for a sanctioned competition event on public lands.

- 9) Requires the public land manager having jurisdiction to administer competition practice in accordance with the regulation developed by CARB.
- 10) Redefines closed course as one that is not available at any time, or during a competition event, for vehicular access by the general public, except for the United States Forest Service or other jurisdictions that prohibit the restriction of public access.
- 11) For off-highway motorcycles used in competition that would qualify for certain equipment exemptions, requires these vehicles to be equipped with a muffler, spark arrester, and silencer or other device that limits noise emissions when operating on public lands.
- 12) Repeals provisions related to the issuance of identification devices, and associated fees, for motorcycles that are transported upon a highway to and from closed courses, and makes other conforming changes.

EXISTING LAW:

- 1) Requires motor vehicles that are not registered because they are to be used off-road to be issued and display an identification sticker obtained from DMV, with certain exceptions.
- 2) Specifies certain vehicles are exempt from this requirement, including 4-wheeled motor vehicles operated solely in organized racing or competitive events on a closed course, as specified.
- 3) Authorizes a motorcycle issued a special transportation identification device to be transported upon a highway to and from a closed course. Requires a special fee of \$15 to be paid to DMV and deposited in MVA for the issuance of this type of identification.
- 4) Requires DMV, upon identifying an OHV subject to identification, to issue to the owner a suitable identification plate that is capable of being attached to the vehicle, as specified. Additionally requires DMV to determine the size, color, and letters or number of the identification plate issued for OHVs. Further specifies a violation of the Vehicle Code is punishable as an infraction.
- 5) Requires all OHV identification plates to be displayed in a specified manner, including on the left fork leg of a motorcycle, either horizontal or vertical, and visible from the left side of the motorcycle.
- 6) Generally imposes specified fees on off-highway motor vehicles, including, among others, a service fee of \$7 for the issuance or renewal of identification for off-highway motor vehicles and a special fee of \$33 paid concurrently with the service fee. The current total fees for OHV registration are \$52.
- 7) Requires certain fees associated with OHVs to be deposited in the OHV Trust Fund, and requires moneys in the fund to be allocated for specified purposes related to off-highway recreation. Requires other fees to be deposited in MVA and allocated for CHP enforcement.
- 8) Requires DMV to adjust certain fees annually based on the California Consumer Price Index (CPI).

- 9) Requires all OHVs to meet specified requirements, including, but not limited to, a requirement that the vehicle be equipped with a spark arrester maintained in effective working order. Additionally, exempts from these requirements certain OHVs being operated in an organized racing or competitive event upon a closed course.

FISCAL EFFECT: Unknown

COMMENTS: OHVs are motor vehicles that are used only off public roads and highways, on lands that are open and accessible to the public. OHVs do not require regular vehicle registration, but must display an identification plate or placard issued by DMV. This identification plate is commonly referred to as a "California Green Sticker" which is affixed directly to the OHV. The OHV "registration" fee for the identification plate is \$52 per vehicle, and is valid for a two-year period. OHV fees are used for acquisition of new OHV areas, development and operation of existing OHV areas, enforcement of the rules and regulations, and protection of natural resources. Green Sticker vehicles are allowed year-round operation on public lands open to motor vehicles.

CARB first adopted OHV exhaust standards in 1994, in part to reduce emissions from high-emitting two-stroke engine OHVs. In 1997, prior to implementation of the exhaust standards, stakeholders expressed concern regarding the availability and performance of compliant OHVs, and access to practice areas. In 1998, after extensive collaboration with industry, CARB created the Red Sticker program.

The Red Sticker is issued to motorcycles and ATVs model year 2003 and newer that do not meet the emission standards established by CARB. If the vehicle has a "3" or "C" in the eighth digit of the VIN, it is non-compliant with CARB exhaust emission standards, and it is issued a Red Sticker by DMV. Non-compliant OHVs cannot be modified to meet the exhaust emissions standard because the regulation is enforced at the manufacturer level, not the consumer level. OHVs with Red Stickers are restricted to riding seasons regulated by CARB.

CARB originally designed the Red Sticker program to be a temporary solution to provide stability in the market while manufacturers developed a full range of OHVs that complied with California's emissions standards. In a recent assessment, CARB noted that there are over three times as many Green Sticker models available today than in 1998. The technology has developed, but the transition to Green Sticker vehicles has not occurred as anticipated, especially for the off-highway motorcycle category. While Red Sticker ATVs nearly disappeared from the marketplace by 2007, the majority of off-highway motorcycles sold in California are Red Sticker vehicles with no emissions controls. Based on this assessment, CARB developed regulatory amendments to end the Red Sticker program. Under the new regulations, beginning in model year 2022, all OHVs must either be certified as meeting the applicable emissions standards or sold and used exclusively for competition. For already existing Red Sticker vehicles, the new regulations lift the seasonal riding restrictions, allowing for year-round operation, beginning in January 2025.

CARB's new regulations that end the Red Sticker program will not stop the sale of non-compliant OHVs in California. However, in the absence of new legislation, non-compliant model year 2022 and newer OHVs would only be allowed to operate on a closed course, and for competition only. The OHV industry asserts that practice is critical to participate in their sport safely and competitively.

This bill attempts to find a balance between allowing certain OHVs to practice and professionally compete within the state on public lands while curbing the continuing sale and use of OHVs that do not meet emissions requirements. Under the provisions of this bill, a competitive OHV rider must possess a valid competition card while practicing on public lands. Further, this bill creates an identification process for off-highway motorcycles and ATVs model year 2022 and newer that are to be used solely for competition. The bill provides for a fee for competition sticker registration based on the existing green sticker registration fee. The fees for the competition sticker registration are dedicated to Parks for OHV recreational trail maintenance after DMV recovers its one-time implementation costs, DMV for cost of issuance, CHP for enforcement costs, and local jurisdictions. See Table 1 for comparison of fees between the existing OHV registration (green sticker) and the competition sticker registration created by this bill.

	Green Sticker	Competition Sticker	Purpose (Fund)
Special Fee	\$33	\$42	For Parks to maintain OHV recreational trails, after DMV recovers its one-time implementation costs (OHV Trust Fund)
Service Fee	\$7	\$9	For DMV's cost of issuing identification (MVA)
Fee (VEH 38225.4 and 38225.5)*	\$8	\$8	CHP enforcement (MVA)
Fee (VEH 38230)	\$4	\$4	For locals in lieu of all taxes
Total payment at time of registration	\$52	\$63	

*These fees are adjusted annually based on CPI.

Table 1. Registration fee comparison and fee usage

Additionally, the bill directs CARB, in consultation with Parks, to adopt regulations by 2023 specifying when these newer model competitive OHVs are allowed to operate on public lands. CARB taking the lead in developing this regulation should ensure that California continues to meet federal and state air quality standards. However, with the new CARB regulations not finalized until 2023, there may be some uncertainty in the interim about when these new model competitive OHVs can practice on public lands. Previous versions of the bill allowed for practice riding of newer competitive OHVs based on the old Red Sticker riding schedule. However, these provisions have been removed, so this may be an issue that needs to be revisited next year.

According to the author, "The Red Sticker has allowed competition motorcycles to operate in the state of California for the past two decades. This regulation is within the California Air Resources Board (CARB) and not within statute. The regulation is sunseting in 2021, and losing it will end a viable competition sport in California, decimate local economies that rely on this sport, wreak havoc in motorcycle sales, and stop almost \$4 million that annually go to the OHV

Trust Fund. This bill’s Competition Sticker will replace the Red Sticker and continue the revenue stream, as well as the advantages of identification that come with the program—including allowing law enforcement to trace these types of vehicles. The 2022 competition off-highway vehicle models are due to arrive in about eleven months, thus a significant time factor is inherent with SB 1024.”

In support of the bill, the Off Road Vehicle Legislative Coalition writes, “SB 1024 addresses important needs that have arisen since the passage of the CARB regulations with regard to registration and operation of off-road racing motorcycles. The author has addressed the need for a clear and concise registration process for motorcycle racers that allows for the continuation of the sport in the state while complying with CARB regulation.”

Opponents of the bill state that SB 1024 would negate emissions reduction benefits by allowing for continued, extensive use of high-polluting off-road vehicles on public lands. They are concerned that there are no provisions to ensure that the riding limitations in the regulation developed by State agencies will be stringent enough to restrict the use of these new competition sticker OHVs to legitimate competitive OHV riders.

REGISTERED SUPPORT / OPPOSITION:

Support

American Motorcyclist Association
California Motorcycle Dealers Association
District 36 Motorcycle Sports Committee, INC.
Off Road Vehicle Legislative Coalition
Sacramento Pacific International Trials Society

Opposition

Coalition for Clean Air
Environment California
Sierra Club California
Union of Concerned Scientists

Analysis Prepared by: Christine Casey / TRANS. / (916) 319-2093