

VOLUNTARY VEHICLE REPAIR PROGRAM

FY26

JULY 1, 2025 - JUNE 30, 2026

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



OUR MISSION AND VISION

TO PROTECT AND ENHANCE PUBLIC HEALTH AND THE ENVIRONMENT IN ARIZONA.

Through consistent, science-based environmental regulation; and clear, equitable engagement and communication;

With integrity, respect, and the highest standards of effectiveness and efficiency;

Because Arizonans treasure the unique environment of our state and its essential role in sustaining well-being and economic vitality, today and for future generations.

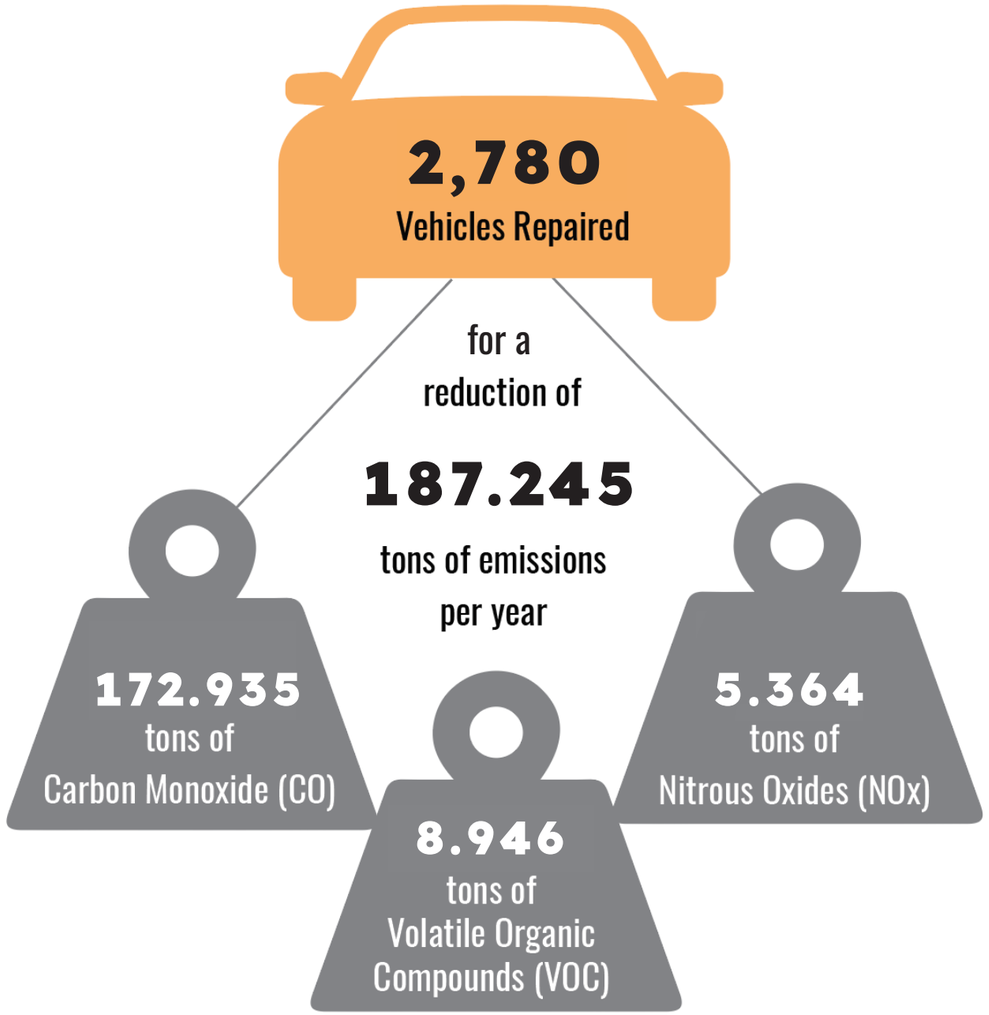
INTRODUCTION

This report has been prepared by the Arizona Department of Environmental Quality (ADEQ) Voluntary Vehicle Repair Program (VVRP) as mandated by Arizona Revised Statutes (A.R.S.) § 49- 558.02(F).

The Environmental Protection Agency (EPA) requires monitoring of vehicle emissions in major metropolitan areas that are not meeting federal health standards for ozone and/or other pollutants. At present, vehicle emissions testing is only required in parts of Maricopa, Pinal, Yavapai, and Pima counties. ADEQ administers VVRP in these counties by providing financial assistance to motorists for emissions-related repairs, with the goal of reducing air pollution emitted by vehicles that have failed the required emissions inspection. The program receives dedicated funds through a registration fee collected from heavy-duty diesel powered vehicles (A.R.S. § 49- 551(B)). By repairing polluting vehicles, VVRP ensures vehicle owners can stay on the road and continue supporting the local economy while conforming to emissions requirements.



FISCAL YEAR 2026 RESULTS



EQUIVALENT TO ELIMINATING POLLUTION FROM 4,602 CARS

FISCAL YEAR 2026 BUDGET

The Fiscal Year 2026 (FY26) VVRP budget was $2,690,234. A majority of VVRP funds are allocated to vehicle repairs, but there are necessary administrative costs to operate and maintain the program. See Appendix A for a complete list of administrative functions and costs.

VVRP COSTS

Repairs	$2,217,995
Administrative	$472,239
Total	**$2,690,234**

FUNDING SOURCES

Air Quality Fee (AQF)	A.R.S. § 49-551	A $1.50 fee collected per vehicle registered in Arizona to be used for air quality research, experiments, and programs in Areas A and B (the general Maricopa and Pima county regions) to reduce pollutants.
Vehicle Emissions Inspection (VEI)	A.R.S. § 49-544	Fees collected from the vehicle emissions inspection program that may be used to administer the VVRP.
VVRP	A.R.S. § 49-558.02	A $10.00 registration fee collected from heavy-duty diesel-powered vehicles and deposited for the VVRP pursuant to A.R.S. § 49-551(A) and § 49-551 (B).

COST-EFFECTIVENESS

Cost-effectiveness is measured by dividing the VVRP total costs by the total tons of emissions reduced.

$14,367.45 spent per ton of vehicle emission reductions*

**A list by model year of vehicles repaired can be found in Appendix B*

RECOMMENDATIONS FOR IMPROVING THE EFFECTIVENESS OF VVRP

ADEQ has been administering VVRP since late 2017, primarily by utilizing the VVRP fund, which is generated through a $10.00 registration fee collected from heavy-duty, diesel-powered vehicles. Legislative changes and program improvements led to record-breaking participation numbers in FY23 (see Graph 1), which depleted the fund's cash balance. In response to diminishing funding during FY24, ADEQ operated the program on a first-come, first-served basis that limited participation in order to continue operating VVRP in a financially sustainable manner. In FY25, the program was able to return to full operation utilizing a one-time increase in the appropriation from the AQF Fund, which was provided by the State's budget.

In FY26, with no additional appropriation, the program was able to support 2,780 vehicle repairs by utilizing the surplus balance in the VVRP fund built up from FY25. For FY27, the State's budget was approved to include a one-time increase in the appropriation from the AQF Fund to support VVRP to operate at its optimal capacity in order to meet citizen demand.

Recommendations for FY27:

Continue Program Promotion and Support:

- Maintain high-visibility marketing across emissions testing stations and online platforms (azdeq.gov/carhelp) to improve customer experience.

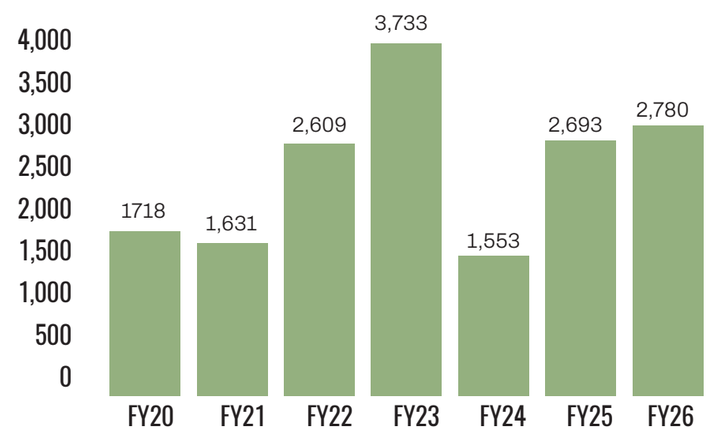
Assist the vehicle emissions contractor to increase VVRP participation at the emissions testing stations:

- Provide vehicle emissions testing contractors with weekly and monthly program performance data to identify areas of improvement and increase participation across all emissions testing stations.

Seek ongoing sustainable funding to enable the program to continue to operate at its optimal capacity:

- Move away from unpredictable, one-time appropriations to an on-going appropriation so that the program can reach its full potential.

Graph 1 **VVRP Participants by Fiscal Year**



APPENDIX A: ADMINISTRATIVE FUNCTIONS AND COSTS

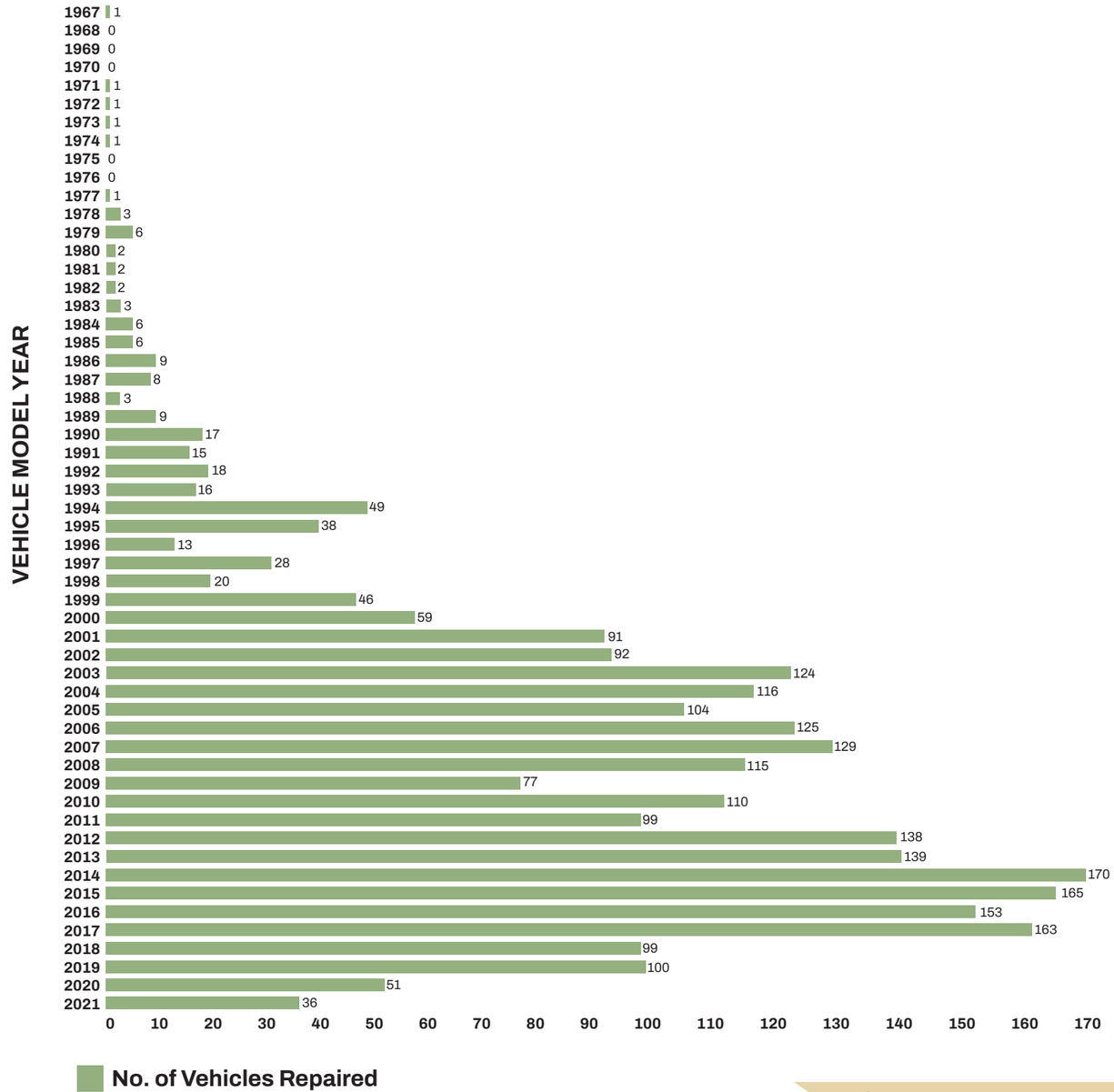
Function	Cost
Vehicle Verification	$19,537
Invoicing Verification	$29,644
Data Entry & Analytics	$122,110
Site Visits	$573
Outreach/Marketing	$2,751
Reporting	$636
Questions/Externals	$20,356
Repair Facility Application Verification	$95
Accounting/Payment	$382
Appealable Agency Actions	$1,527
Denial Letters	$4,517
Contractor Invoices	$55,520
Attorney General VVRP Administrative Appeal Costs	$9,939
Indirect Costs	$204,652
Total	**$472,239**

Description of administrative functions are provided on page 8.

ADMINISTRATIVE FUNCTION DESCRIPTION

- **Vehicle Verification:** ADEQ staff compares the reported Vehicle Identification Number (VIN) number to AZ Motor Vehicle Division (MVD) registration records to verify that the vehicle meets VVRP requirements.
- **Invoicing Verification:** ADEQ staff reviews submissions from VVRP Approved Repair Facilities for payment remittance and verifies that repairs align with the automotive industry's parts and labor guide. Any invoice discrepancies are addressed immediately.
- **Data Entry and Analytics:** ADEQ staff enters customer agreements, invoices with balance notes, copies of MVD registration, failed/passing vehicle inspection reports, monitors program metrics, etc.
- **Site Visits:** ADEQ performs a site visit for potential repair facilities to verify that all equipment and certified personnel are in place to be a VVRP Approved Repair Facility. When warranted, ADEQ may conduct unannounced site visits of any facility ADEQ suspects may not be adhering to VVRP guidelines or required certifications and computer software.
- **Outreach/Marketing:** ADEQ designs, prints and distributes informational flyers, which are provided at emissions testing stations when a vehicle fails the testing process. Additionally, ADEQ displays posters and signs at all stations, and provides informative videos outlining the program process for customers at the waiting booths. ADEQ's outreach extends to social media channels ensuring broad coverage. Program collateral is made available in English and Spanish.
- **Reporting:** An annual report due December 1 of each year, is prepared by ADEQ per statute.
- **Questions/Externals:** ADEQ staff answers calls and provides information to Approved Repair Facilities and vehicle owners who inquire about the program; ADEQ also assists VVRP Approved Repair Facilities with questions about the payment process.
- **Repair Facility Application Verification:** ADEQ staff reviews applications for completeness and verifies that all requirements are met for a repair facility to qualify as a VVRP Approved Repair Facility.
- **Accounting/Payment:** To ensure the integrity of the program and prevent fraudulent use of the program, ADEQ staff reviews invoices for accuracy.
- **Appealable Agency Actions:** ADEQ staff conducts necessary research for appeal requests received from customers who were denied enrollment into the program.
- **Denial Letters:** The program sends denial letters via postal mail to vehicle owners who do not provide an email address in their application and do not meet the statutory requirements to participate in the program.
- **Contractor Invoices:** ADEQ contracts with Gordon-Darby Arizona Testing (GDAT) to manage emissions testing stations and operations in Arizona; GDAT performs a portion of the administrative work for VVRP at a cost of $20 per vehicle, which covers:
    - Informing customers of the program at emissions testing stations
    - Validating of repair invoices
    - Processing and payment of VVRP Approved Repair Facility invoices
    - Monthly invoicing to ADEQ
    - Daily reporting
- **Attorney General VVRP Administrative Appeal Costs:** This includes legal counsel fees by the State of Arizona's Office of the Attorney General to assist with appeals.
- **Indirect Costs:** An administrative fee, calculated as a fixed percentage of the contractor's invoice, charged to the VVRP fund to cover internal ADEQ operational overhead (including rent, utilities, personnel, and security).

APPENDIX B: VEHICLE REPAIRS BY MODEL YEAR



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