

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

6

HOUSE BILL 969*
Committee Substitute Favorable 5/16/01
Committee Substitute #2 Favorable 5/30/01
Fourth Edition Engrossed 6/5/01
Senate Finance Committee Substitute Adopted 10/2/01
Sixth Edition Engrossed 10/4/01

Short Title: Air Quality/Motor Vehicle Inspection Fees.

(Public)

Sponsors:

Referred to:

April 4, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF THE AMBIENT AIR
3 QUALITY IMPROVEMENT ACT OF 1999, AS AMENDED BY S.L. 2000-134,
4 BY INCREASING THE FEES CHARGED FOR MOTOR VEHICLE EMISSIONS
5 AND SAFETY INSPECTIONS, AND TO MAKE OTHER AMENDMENTS TO
6 THE LAWS GOVERNING MOTOR VEHICLE SAFETY AND EMISSIONS
7 INSPECTIONS.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. G.S. 20-183.7 reads as rewritten:

10 "§ 20-183.7. Fees for performing an inspection and putting an inspection sticker
11 on a vehicle; use of civil penalties.

12 (a) Fee Amount. – When a fee applies to an inspection of a vehicle or the
13 issuance of an inspection sticker, the fee must be collected. The following fees apply to
14 an inspection of a vehicle and the issuance of an inspection sticker:

15 <u>Type</u>	<u>Inspection</u>	<u>Sticker</u>
16		
17 Safety Only	\$ 8.25 <u>9.40</u>	\$ 1.00 <u>1.05</u>
18 Emissions and Safety	17.00 <u>19.50</u>	2.40 <u>6.50</u>

19 The fee for performing an inspection of a vehicle applies when an inspection is
20 performed, regardless of whether the vehicle passes the inspection. The fee for an
21 inspection sticker applies when an inspection sticker is put on a vehicle. The fee for
22 inspecting after-factory tinted windows shall be ten dollars (\$10.00), and the fee applies
23 only to an inspection performed with a light meter after a safety inspection mechanic
24 determined that the window had after-factory tint. A safety inspection mechanic shall

1 not inspect an after-factory tinted window of a vehicle for which the Division has issued
 2 a medical exception permit pursuant to G.S. 20-127(f).

3 A vehicle that is inspected at an inspection station and fails the inspection is entitled
 4 to be reinspected at the same station at any time within 30 days of the failed inspection
 5 without paying another inspection fee.

6 (b) Self-Inspector. – The fee for an inspection does not apply to an inspection
 7 performed by a self-inspector. The fee for putting an inspection sticker on a vehicle
 8 applies to an inspection performed by a self-inspector.

9 (c) Fee Distribution. – Fees collected for inspection stickers are payable to the
 10 Division of Motor Vehicles. The amount of each fee listed in the table below shall be
 11 credited to the Highway Fund, the Emissions Program Account established in
 12 subsection (d) of this section, the Telecommunications Account established in
 13 subsection (d1) of this section, the Highway Trust Fund Repayment Fee established in
 14 subsection (d2) of this section, the Volunteer Rescue/EMS Fund established in G.S.
 15 58-87-5, the Rescue Squad Workers' Relief Fund established in G.S. 58-88-5, and the
 16 Division of Air Quality of the Department of Environment and Natural Resources:

<u>Recipient</u>	<u>Safety Only</u> <u>Sticker</u>	<u>Emissions and</u> <u>Safety Sticker</u>
Highway Fund	.75	.00
Emissions Program Account	.00	1.80 <u>2.55</u>
<u>Telecommunications Account</u>	<u>.00</u>	<u>1.75</u>
Volunteer Rescue/EMS Fund	15.18	.15
Rescue Squad Workers' Relief Fund	10.12	.10
Division of Air Quality	.00	35.40
<u>Highway Trust Fund Repayment Fee</u>	<u>.00</u>	<u>1.55.</u>

28 (d) Emissions Program Account. – The Emissions Program Account is created as
 29 a nonreverting account within the Highway Fund. The Division shall administer the
 30 Account. Revenue in the Account may be used only to fund the vehicle emissions
 31 inspection and maintenance program.

32 (d1) Telecommunications Account. – The Telecommunications Account is created
 33 as a nonreverting account within the Highway Fund. The Division shall administer the
 34 Account. Revenue in the Account may be used only to provide equipment and
 35 telecommunications services associated with the vehicle emissions inspection and
 36 maintenance program.

37 (d2) Highway Trust Fund Repayment Fee. – The Highway Trust Fund Repayment
 38 Fee shall be credited to the Highway Trust Fund on a quarterly basis in order to repay
 39 certain funds allocated from the Highway Trust Fund to the Division for the
 40 implementation of the vehicle emissions and maintenance program.

41 (e) Civil Penalties. – Civil penalties collected under this Part shall be credited to
 42 the Highway Fund as nontax revenue."

SECTION 2. G.S. 20-183.7 reads as rewritten:

"§ 20-183.7. Fees for performing an inspection and putting an inspection sticker on a vehicle; use of civil penalties.

(a) Fee Amount. – When a fee applies to an inspection of a vehicle or the issuance of an inspection sticker, the fee must be collected. The following fees apply to an inspection of a vehicle and the issuance of an inspection sticker:

<u>Type</u>	<u>Inspection</u>	<u>Sticker</u>
Safety Only	\$ 9.40	\$ 1.05
Emissions and Safety	19.50	6.50

The fee for performing an inspection of a vehicle applies when an inspection is performed, regardless of whether the vehicle passes the inspection. The fee for an inspection sticker applies when an inspection sticker is put on a vehicle. The fee for inspecting after-factory tinted windows shall be ten dollars (\$10.00), and the fee applies only to an inspection performed with a light meter after a safety inspection mechanic determined that the window had after-factory tint. A safety inspection mechanic shall not inspect an after-factory tinted window of a vehicle for which the Division has issued a medical exception permit pursuant to G.S. 20-127(f).

A vehicle that is inspected at an inspection station and fails the inspection is entitled to be reinspected at the same station at any time within 30 days of the failed inspection without paying another inspection fee.

(b) Self-Inspector. – The fee for an inspection does not apply to an inspection performed by a self-inspector. The fee for putting an inspection sticker on a vehicle applies to an inspection performed by a self-inspector.

(c) Fee Distribution. – Fees collected for inspection stickers are payable to the Division of Motor Vehicles. The amount of each fee listed in the table below shall be credited to the Highway Fund, the Emissions Program Account established in subsection (d) of this section, the Telecommunications Account established in subsection (d1) of this section, the Highway Trust Fund Repayment Fee established in subsection (d2) of this section, the Volunteer Rescue/EMS Fund established in G.S. 58-87-5, the Rescue Squad Workers' Relief Fund established in G.S. 58-88-5, and the Division of Air Quality of the Department of Environment and Natural Resources:

<u>Recipient</u>	<u>Safety Only Sticker</u>	<u>Emissions and Safety Sticker</u>
Highway Fund	.75	.00
Emissions Program Account	.00	2.55 <u>3.80</u>
Telecommunications Account	.00	1.75
Volunteer Rescue/EMS Fund	.18	.15 <u>.18</u>
Rescue Squad Workers' Relief Fund	.12	.10 <u>.12</u>
Division of Air Quality	.00	.40 <u>.65</u>

1 Highway Trust Fund Repayment Fee .00 ~~1.55.00.~~

2 (d) Emissions Program Account. – The Emissions Program Account is created as
3 a nonreverting account within the Highway Fund. The Division shall administer the
4 Account. Revenue in the Account may be used only to fund the vehicle emissions
5 inspection and maintenance program.

6 (d1) Telecommunications Account. – The Telecommunications Account is created
7 as a nonreverting account within the Highway Fund. The Division shall administer the
8 Account. Revenue in the Account may be used only to provide equipment and
9 telecommunications services associated with the vehicle emissions inspection and
10 maintenance program.

11 (d2) Highway Trust Fund Repayment Fee – The Highway Trust Fund Repayment
12 Fee shall be credited to the Highway Trust Fund on a quarterly basis in order to repay
13 certain funds allocated from the Highway Trust Fund to the Division for the
14 implementation of the vehicle emissions and maintenance program.

15 (e) Civil Penalties. – Civil penalties collected under this Part shall be credited to
16 the Highway Fund as nontax revenue.

17 (f) Inspection Stations Required to Post Fee Information. – The Division shall
18 approve the form and style of one or more standard signs to be used to display the
19 information required by this subsection. The Division shall require that one or more of
20 the standard signs be conspicuously posted at each inspection station in a manner
21 reasonably calculated to make the information on the sign readily available to each
22 person who presents a motor vehicle to the station for inspection. The sign shall include
23 the following information:

24 (1) The amount of the inspection fee and a statement that clearly indicates
25 that the inspection fee is retained by the inspection station to
26 compensate the station for performing the inspection, and that the
27 inspection fee is not paid to the State.

28 (2) The amount of the sticker fee, if the motor vehicle passes the
29 inspection, a statement that the sticker fee is paid to the State, and a
30 brief summary of the purposes for which the sticker fee is collected.

31 (3) The total fee to be charged if the motor vehicle passes the inspection.

32 (4) A statement that a vehicle that fails an inspection may be reinspected
33 at the same station within 30 days of the inspection without payment
34 of another inspection fee.

35 (g) Information on Receipt. – The information set out in subdivisions (1) through
36 (4) of subsection (f) of this section shall be set out in not smaller than 12 point type and
37 shall be shown graphically in the form of a pie chart on the inspection receipt."

38 **SECTION 3.** G.S. 20-183.7 reads as rewritten:

39 **"§ 20-183.7. Fees for performing an inspection and putting an inspection sticker**
40 **on a vehicle; use of civil penalties.**

(a) Fee Amount. – When a fee applies to an inspection of a vehicle or the issuance of an inspection sticker, the fee must be collected. The following fees apply to an inspection of a vehicle and the issuance of an inspection sticker:

<u>Type</u>	<u>Inspection</u>	<u>Sticker</u>
Safety Only	\$ 9.40	\$ 1.05 2.60
Emissions and Safety	19.50 19.70	6.50 6.30

The fee for performing an inspection of a vehicle applies when an inspection is performed, regardless of whether the vehicle passes the inspection. The fee for an inspection sticker applies when an inspection sticker is put on a vehicle. The fee for inspecting after-factory tinted windows shall be ten dollars (\$10.00), and the fee applies only to an inspection performed with a light meter after a safety inspection mechanic determined that the window had after-factory tint. A safety inspection mechanic shall not inspect an after-factory tinted window of a vehicle for which the Division has issued a medical exception permit pursuant to G.S. 20-127(f).

A vehicle that is inspected at an inspection station and fails the inspection is entitled to be reinspected at the same station at any time within 30 days of the failed inspection without paying another inspection fee.

(b) Self-Inspector. – The fee for an inspection does not apply to an inspection performed by a self-inspector. The fee for putting an inspection sticker on a vehicle applies to an inspection performed by a self-inspector.

(c) Fee Distribution. – Fees collected for inspection stickers are payable to the Division of Motor Vehicles. The amount of each fee listed in the table below shall be credited to the Highway Fund, the Emissions Program Account established in subsection (d) of this section, the Telecommunications Account established in subsection (d1) of this section, the Highway Trust Fund Repayment Fee established in subsection (d2) of this section, the Volunteer Rescue/EMS Fund established in G.S. 58-87-5, the Rescue Squad Workers' Relief Fund established in G.S. 58-88-5, and the Division of Air Quality of the Department of Environment and Natural Resources:

<u>Recipient</u>	<u>Safety Only Sticker</u>	<u>Emissions and Safety Sticker</u>
Highway Fund	.75 .55	.00 .55
Emissions Program Account	.00	3.80 2.90
Telecommunications Account	.00 1.75	1.75
Volunteer Rescue/EMS Fund	.18	.18
Rescue Squad Workers' Relief Fund	.12	.12
Division of Air Quality	.00	.65
Highway Trust Fund Repayment Fee	.00	.00 .15.

(d) Emissions Program Account. – The Emissions Program Account is created as a nonreverting account within the Highway Fund. The Division shall administer the

1 Account. Revenue in the Account may be used only to fund the vehicle emissions
2 inspection and maintenance program.

3 (d1) Telecommunications Account. – The Telecommunications Account is created
4 as a nonreverting account within the Highway Fund. The Division shall administer the
5 Account. Revenue in the Account may be used only to provide equipment and
6 telecommunications services associated with the safety inspection program and vehicle
7 emissions inspection and maintenance program.

8 (d2) Highway Trust Fund Repayment Fee – The Highway Trust Fund Repayment
9 Fee shall be credited to the Highway Trust Fund on a quarterly basis in order to repay
10 certain funds allocated from the Highway Trust Fund to the Division for the
11 implementation of the vehicle emissions and maintenance program.

12 (e) Civil Penalties. – Civil penalties collected under this Part shall be credited to
13 the Highway Fund as nontax revenue.

14 (f) Inspection Stations Required to Post Fee Information. – The Division shall
15 approve the form and style of one or more standard signs to be used to display the
16 information required by this subsection. The Division shall require that one or more of
17 the standard signs be conspicuously posted at each inspection station in a manner
18 reasonably calculated to make the information on the sign readily available to each
19 person who presents a motor vehicle to the station for inspection. The sign shall include
20 the following information:

- 21 (1) The amount of the inspection fee and a statement that clearly indicates
22 that the inspection fee is retained by the inspection station to
23 compensate the station for performing the inspection, and that the
24 inspection fee is not paid to the State.
- 25 (2) The amount of the sticker fee, if the motor vehicle passes the
26 inspection, a statement that the sticker fee is paid to the State, and a
27 brief summary of the purposes for which the sticker fee is collected.
- 28 (3) The total fee to be charged if the motor vehicle passes the inspection.
- 29 (4) A statement that a vehicle that fails an inspection may be reinspected
30 at the same station within 30 days of the inspection without payment
31 of another inspection fee.

32 (g) Information on Receipt. – The information set out in subdivisions (1) through
33 (4) of subsection (f) of this section shall be set out in not smaller than 12 point type and
34 shall be shown graphically in the form of a pie chart on the inspection receipt."

35 **SECTION 3.1.** G.S. 20-183.7(c), as amended by Sections 1, 2, and 3 of this
36 act, reads as rewritten:

37 "(c) Fee Distribution. – Fees collected for inspection stickers are payable to the
38 Division of Motor Vehicles. The amount of each fee listed in the table below shall be
39 credited to the Highway Fund, the Emissions Program Account established in
40 subsection (d) of this section, the Telecommunications Account established in
41 subsection (d1) of this section, ~~the Highway Trust Fund Repayment Fee established in~~
42 ~~subsection (d2) of this section,~~ the Volunteer Rescue/EMS Fund established in G.S.

1 58-87-5, the Rescue Squad Workers' Relief Fund established in G.S. 58-88-5, and the
 2 Division of Air Quality of the Department of Environment and Natural Resources:

<u>Recipient</u>	<u>Safety Only</u> <u>Sticker</u>	<u>Emissions and</u> <u>Safety Sticker</u>
6 Highway Fund	.55	.55
7 Emissions Program Account	.00	2.90 <u>3.00</u>
8 Telecommunications Account	1.75	1.75
9 Volunteer Rescue/EMS Fund	.18	.18
10 Rescue Squad Workers' Relief		
11 Fund	.12	.12
12 Division of Air Quality	.00	.65 <u>.70</u>
13 Highway Trust Fund Repayment Fee	.00	.15 "

14 **SECTION 3.2.** G.S. 20-183.7(d2), as enacted by Section 1 of this act, is
 15 repealed.

16 **SECTION 3.3.** The Department of Transportation may transfer up to two
 17 million two hundred thousand dollars (\$2,200,000) from the Highway Trust Fund to the
 18 Division of Motor Vehicles. The Division of Motor Vehicles shall use these funds only
 19 to pay the charges for telecommunications services associated with the emissions
 20 inspection and maintenance program that have accrued during the 2001 calendar year.
 21 These funds shall be repaid to the Highway Trust Fund with fees collected pursuant to
 22 the Highway Trust Fund Repayment Fee established in G.S. 20-183.7, as amended by
 23 Sections 1, 2, and 3 of this act. Interest shall accrue on any unpaid balance owed to the
 24 Highway Trust Fund at a rate equal to the average annual yield that the State Treasurer
 25 obtains on investment of funds in the Highway Trust Fund pursuant to G.S. 147-69.1.
 26 Any funds collected pursuant to the Highway Trust Fund Repayment Fee prior to the
 27 effective date of Sections 3.1 and 3.2 of this act that are not required to repay the
 28 Highway Trust Fund as provided in this section shall be credited to the Emissions
 29 Program Account established by G.S. 20-183.7(c).

30 **SECTION 4.** G.S. 20-183.2(b)(3) reads as rewritten:
 31 "(3) It is a ~~1975 or later model~~ fewer than 25 model years old."

32 **SECTION 5.** G.S. 20-183.2(b)(3) reads as rewritten:
 33 "(3) ~~It is fewer than 25 model years old.~~ Except as provided in G.S. 20-
 34 183.3(b), it is a 1996 or later model."

35 **SECTION 6.** Section 9 of S.L. 2000-134 is repealed.

36 **SECTION 7.** G.S. 20-183.3(b), as amended by Section 8 of S.L. 2000-134,
 37 reads as rewritten:

38 "(b) Emissions. – An emissions inspection of a motor vehicle consists of a visual
 39 inspection of the vehicle's emissions control devices to determine if the devices are
 40 present, are properly connected, and are the correct type for the vehicle and, if the
 41 vehicle is a ~~1975 through 1995~~ fewer than 25 model years old and not a 1996 or later
 42 model, an analysis of the exhaust emissions of the vehicle to determine if the exhaust

1 emissions meet the standards for the model year of the vehicle set by the Environmental
2 Management Commission or, if the vehicle is a 1996 or later model, an analysis of data
3 provided by the on-board diagnostic (OBD) equipment installed by the vehicle
4 manufacturer to identify any deterioration or malfunction in the operation of the vehicle
5 that violates standards for the model year of the vehicle set by the Environmental
6 Management Commission. To pass an emissions inspection a vehicle must pass both the
7 visual inspection and, if the vehicle is a ~~1975 through 1995~~ fewer than 25 model years
8 old and not a 1996 or later model, the exhaust emissions analysis or, if the vehicle is a
9 1996 or later model, the OBD analysis. When an emissions inspection is performed on a
10 vehicle, a safety inspection must be performed on the vehicle as well."

11 **SECTION 8.** Section 20 of S.L. 2000-134 reads as rewritten:

12 "Section 20. During the period 1 July 2002 through 31 December 2005, in the
13 counties of Cabarrus, Durham, Forsyth, Gaston, Guilford, Mecklenburg, Orange, Union,
14 and Wake, an emissions inspection station, an emissions inspection mechanic, and an
15 emissions self-inspector, as those terms are used in G.S. 20-183.4A, may elect to
16 perform emissions inspections: (i) only on ~~1975 through 1995~~ and older model vehicles
17 that are fewer than 25 model years old using an emissions analyzer; (ii) only on 1996 or
18 later model vehicles using equipment to analyze data provided by the on-board
19 diagnostic (OBD) equipment, or (iii) both on ~~1975 through 1995~~ and older model
20 vehicles that are fewer than 25 model years old using an emissions analyzer and on
21 1996 or later model vehicles using equipment to analyze data provided by the on-board
22 diagnostic (OBD) equipment. This section shall not be construed to authorize an
23 emissions inspection station or an emissions self-inspector to perform an emissions
24 inspection on a vehicle of a model year for which the emissions inspection station or
25 emissions self-inspector does not have the equipment necessary to perform an emissions
26 inspection of vehicles of that model year. This section shall not be construed to
27 authorize an emissions inspection mechanic to perform an emissions inspection on a
28 vehicle unless the emissions inspection mechanic has successfully completed a course,
29 as required by G.S. 20-183.4A(2) or G.S. 20-183.4A(2a), that includes training on the
30 use of the equipment necessary to perform an emissions inspection on vehicles of that
31 model year."

32 **SECTION 9.** Part 2 of Article 3A of Chapter 20 of the General Statutes is
33 amended by adding a new section to read:

34 **"§ 20-183.5A. When a vehicle that fails a safety inspection because of missing**
35 **emissions control devices may obtain a waiver.**

36 (a) Requirements. – The Division may issue a waiver for a vehicle that meets all
37 of the following requirements:

38 (1) Fails a safety inspection because it does not have one or more
39 emissions control devices.

40 (2) Has documented repairs within the previous calendar year to replace
41 missing emissions control devices costing at least the waiver amount
42 made to the vehicle to correct the cause of the failure. The waiver

1 amount is seventy-five dollars (\$75.00) if the vehicle is a pre-1981
2 model and is two hundred dollars (\$200.00) if the vehicle is a 1981 or
3 newer model.

4 (b) Procedure. – To obtain a waiver, a person must contact a local enforcement
5 office of the Division. Before issuing a waiver, an employee of the Division must
6 review the inspection receipts issued for the inspections of the vehicle, review the
7 documents establishing what repairs were made to the vehicle and at what cost, review
8 any statement denying warranty coverage of the repairs made, and do a visual
9 inspection of the vehicle, if appropriate, to determine if the documented repairs were
10 made. The Division must issue a waiver if it determines that the vehicle qualifies for a
11 waiver. A person to whom a waiver is issued must present the waiver to the self-
12 inspector or inspection station performing the inspection to obtain an inspection sticker.

13 (c) Repairs. – The following repairs and their costs cannot be considered in
14 determining whether the cost of repairs made to a vehicle equals or exceeds the waiver
15 amount:

16 (1) Repairs covered by a warranty that applies to the vehicle.

17 (2) Repairs needed as a result of tampering with an emission control
18 device of the vehicle.

19 (3) If the vehicle is a 1981 or newer model, repairs made by an individual
20 who is not engaged in the business of repairing vehicles.

21 (d) Sticker Expiration. – An inspection sticker put on a vehicle after the vehicle
22 receives a waiver from the requirement of passing the safety inspection expires at the
23 same time it would if the vehicle had passed the safety inspection."

24 **SECTION 10.** G.S. 20-183.2(b) is amended by adding a new subdivision to
25 read:

26 "(8) It is not a privately owned, nonfleet motor home or house car, as
27 defined in G.S. 20-4.01(27)d2., that is built on a single chassis, has a
28 gross vehicle weight of more than 10,000 pounds, and is designed
29 primarily for recreational use."

30 **SECTION 11.** G.S. 20-183.4C(a) is amended by adding a new subdivision
31 to read:

32 "(5a) If the registration of a vehicle is transferred from a county that is not
33 an emissions county to an emissions county, the vehicle must be
34 inspected in accordance with this Part within 60 days of the transfer of
35 registration."

36 **SECTION 12.** Part 1 of Article 3A of Chapter 20 of the General Statutes is
37 amended by adding two new sections to read:

38 **§ 20-183.7A. Penalties applicable to license holders and suspension or revocation**
39 **of license for safety violations.**

40 (a) Kinds of Violations. – The civil penalty schedule established in this section
41 applies to safety self-inspectors, safety inspection stations, and safety inspection
42 mechanics. The schedule categorizes safety violations into serious (Type I), minor

1 (Type II), and technical (Type III) violations. A serious violation is a violation of this
2 Part or a rule adopted to implement this Part that directly affects the safety or emissions
3 reduction benefits of the safety inspection program. A minor violation is a violation of
4 this Part or a rule adopted to implement this Part that reflects negligence or carelessness
5 in conducting a safety inspection or complying with the safety inspection requirements
6 but does not directly affect the safety benefits or emission reduction benefits of the
7 safety inspection program. A technical violation is a violation that is not a serious
8 violation, a minor violation, or another type of offense under this Part.

9 (b) Penalty Schedule. – The Division must take the following action for a
10 violation:

11 (1) Type I. – For a first or second Type I violation within three years by a
12 safety self-inspector or a safety inspection station, assess a civil
13 penalty of two hundred fifty dollars (\$250.00) and suspend the license
14 of the business for six months. For a third or subsequent Type I
15 violation within three years by a safety self-inspector or a safety
16 inspection station, assess a civil penalty of one thousand dollars
17 (\$1,000) and revoke the license of the business for two years. For a
18 first or second Type I violation within seven years by a safety
19 inspection mechanic, assess a civil penalty of one hundred dollars
20 (\$100.00) and suspend the mechanic's license for six months. For a
21 third or subsequent Type I violation within seven years by a safety
22 inspection mechanic, assess a civil penalty of two hundred fifty dollars
23 (\$250.00) and revoke the mechanic's license for two years.

24 (2) Type II. – For a first or second Type II violation within three years by
25 a safety self-inspector or a safety inspection station, assess a civil
26 penalty of one hundred dollars (\$100.00). For a third or subsequent
27 Type II violation within three years by a safety self-inspector or a
28 safety inspection station, assess a civil penalty of two hundred fifty
29 dollars (\$250.00) and suspend the license of the business for 90 days.
30 For a first or second Type II violation within seven years by a safety
31 inspection mechanic, assess a civil penalty of fifty dollars (\$50.00).
32 For a third or subsequent Type II violation within seven years by a
33 safety inspection mechanic, assess a civil penalty of one hundred
34 dollars (\$100.00) and suspend the mechanic's license for 90 days.

35 (3) Type III. – For a first or second Type III violation within seven years
36 by a safety self-inspector, a safety inspection station, or a safety
37 inspection mechanic, send a warning letter. For a third or subsequent
38 Type III violation within seven years by the same safety license
39 holder, assess a civil penalty of twenty-five dollars (\$25.00).

40 (c) Station or Self-Inspector Responsibility. – It is the responsibility of a safety
41 inspection station and a safety self-inspector to supervise the safety inspection

1 mechanics it employs. A violation by a safety inspection mechanic is considered a
2 violation by the station or self-inspector for whom the mechanic is employed.

3 (d) Multiple Violations. – If a safety self-inspector, a safety inspection station, or
4 a safety inspection mechanic commits two or more violations in the course of a single
5 safety inspection, the Division shall take only the action specified for the most
6 significant violation.

7 (e) Mechanic Training. – A safety inspection mechanic whose license has been
8 suspended or revoked must retake the course required under G.S. 20-183.4 and
9 successfully complete the course before the mechanic's license can be reinstated. Failure
10 to successfully complete this course continues the period of suspension or revocation
11 until the course is completed successfully.

12 **"§ 20-183.7B. Acts that are Type I, II, or III safety violations.**

13 (a) Type I. – It is a Type I violation for a safety self-inspector, a safety inspection
14 station, or a safety inspection mechanic to do any of the following:

- 15 (1) Put a safety inspection sticker on a vehicle without performing a safety
16 inspection of the vehicle.
- 17 (2) Put a safety inspection sticker on a vehicle after performing a safety
18 inspection of the vehicle and determining that the vehicle did not pass
19 the inspection.
- 20 (3) Allow a person who is not licensed as a safety inspection mechanic to
21 perform a safety inspection for a self-inspector or at a safety inspection
22 station.
- 23 (4) Sell or otherwise give an inspection sticker to another, other than as
24 the result of a vehicle inspection in which the vehicle passed the
25 inspection.
- 26 (5) Be unable to account for five or more inspection stickers at any one
27 time upon the request of an officer of the Division.
- 28 (6) Perform a safety-only inspection on a vehicle that is subject to both a
29 safety and an emissions inspection.
- 30 (7) Transfer an inspection sticker from one vehicle to another.
- 31 (8) Conduct a safety inspection of a vehicle without driving the vehicle
32 and without raising the vehicle and without opening the hood of the
33 vehicle to check equipment located therein.
- 34 (9) Solicit or accept anything of value to pass a vehicle other than as
35 provided in this Part.

36 (b) Type II. – It is a Type II violation for a safety self-inspector, a safety
37 inspection station, or a safety inspection mechanic to do any of the following:

- 38 (1) Put a safety inspection sticker on a vehicle without driving the vehicle
39 and checking the vehicle's braking reaction, foot brake pedal reserve,
40 and steering free play.
- 41 (2) Put a safety inspection sticker on a vehicle without raising the vehicle
42 to free each wheel and checking the vehicle's tires, brake lines, parking

- 1 brake cables, wheel drums, exhaust system, and the emissions
2 equipment.
- 3 (3) Put a safety inspection sticker on a vehicle without raising the hood
4 and checking the master cylinder, horn mounting, power steering, and
5 emissions equipment.
- 6 (4) Conduct a safety inspection of a vehicle outside the designated
7 inspection area.
- 8 (5) Put a safety inspection sticker on a vehicle with inoperative equipment,
9 or with equipment that does not conform to the vehicle's original
10 equipment or design specifications, or with equipment that is
11 prohibited by any provision of law.
- 12 (6) Put a safety inspection sticker on a vehicle without performing a visual
13 inspection of the vehicle's exhaust system.
- 14 (7) Put a safety inspection sticker on a vehicle without checking the
15 exhaust system for leaks.
- 16 (8) Put a safety inspection sticker on a vehicle that is required to have any
17 of the following emissions control devices but does not have the
18 device:
- 19 a. Catalytic converter.
20 b. PCV valve.
21 c. Thermostatic air control.
22 d. Oxygen sensor.
23 e. Unleaded gas restrictor.
24 f. Gasoline tank cap.
25 g. Air injection system.
26 h. Evaporative emissions system.
27 i. Exhaust gas recirculation (EGR) valve.
- 28 (9) Put a safety inspection sticker on a vehicle after failing to inspect four
29 or more of the following:
- 30 a. Emergency brake.
31 b. Horn.
32 c. Headlight high beam indicator.
33 d. Inside rearview mirror.
34 e. Outside rearview mirror.
35 f. Turn signals.
36 g. Parking lights.
37 h. Headlights – operation and lens.
38 i. Headlights – aim.
39 j. Stoptlights.
40 k. Taillights.
41 l. License plate lights.
42 m. Windshield wiper.

- 1 n. Windshield wiper blades.
2 o. Window tint.
3 (10) Impose no fee for a safety inspection of a vehicle or the issuance of a
4 safety inspection sticker or impose a fee for one of these actions in an
5 amount that differs from the amount set in G.S. 20-183.7.
6 (c) Type III. – It is a Type III violation for a safety self-inspector, a safety
7 inspection station, or a safety inspection mechanic to do any of the following:
8 (1) Fail to post a safety inspection station license issued by the Division.
9 (2) Fail to send information on safety inspections to the Division at the
10 time or in the form required by the Division.
11 (3) Fail to post all safety information required by federal law and by the
12 Division.
13 (4) Fail to put the required information on an inspection sticker or
14 inspection receipt in a legible manner using ink.
15 (5) Issue a receipt that is signed by a person other than the safety
16 inspection mechanic.
17 (6) Place an incorrect expiration date on an inspection sticker.
18 (7) Put a safety inspection sticker on a vehicle after having failed to
19 inspect three or fewer of the following:
20 a. Emergency brake.
21 b. Horn.
22 c. Headlight high beam indicator.
23 d. Inside rearview mirror.
24 e. Outside rearview mirror.
25 f. Turn signals.
26 g. Parking lights.
27 h. Headlights – operation and lens.
28 i. Headlights – aim.
29 j. Stoplights.
30 k. Taillights.
31 l. License plate lights.
32 m. Windshield wiper.
33 n. Windshield wiper blades.
34 o. Window tint.
35 (d) Other Acts. – The lists in this section of the acts that are Type I, Type II, or
36 Type III violations are not the only acts that are one of these types of violations. The
37 Division may designate other acts that are a Type I, Type II, or Type III violation."

38 **SECTION 13.** G.S. 20-183.8 reads as rewritten:

39 "**§ 20-183.8. Infractions and criminal offenses for violations of inspection**
40 **requirements.**

41 (a) Infractions. – A person who does any of the following commits an infraction
42 and, if found responsible, is liable for a penalty of up to fifty dollars (\$50.00):

- 1 (1) Operates a motor vehicle that is subject to inspection under this Part on
2 a highway or public vehicular area in the State when the vehicle has
3 not been inspected in accordance with this Part, as evidenced by the
4 vehicle's lack of a current inspection sticker or otherwise.
- 5 (2) Allows an inspection sticker to be put on a vehicle owned or operated
6 by that person, knowing that the vehicle was not inspected before the
7 sticker was attached or was not inspected properly.
- 8 (3) Puts an inspection sticker on a vehicle, knowing or having reasonable
9 grounds to know that an inspection of the vehicle was not performed
10 or was performed improperly. A person who is cited for a civil penalty
11 under G.S. 20-183.8B for an emissions violation involving the
12 inspection of a vehicle may not be charged with an infraction under
13 this subdivision based on that same vehicle.
- 14 (4) Alters the original certified configuration or data link connectors of a
15 vehicle in such a way as to make an emissions inspection by analysis
16 of data provided by on-board diagnostic (OBD) equipment inaccurate
17 or impossible.
- 18 (b) Defenses to Infractions. – Any of the following is a defense to a violation
19 under subsection (a) of this section:
- 20 (1) The vehicle was continuously out of State for at least the 30 days
21 preceding the date the inspection sticker expired and a current
22 inspection sticker was obtained within 10 days after the vehicle came
23 back to the State.
- 24 (2) The vehicle displays a dealer license plate or a transporter plate, the
25 dealer repossessed the vehicle or otherwise acquired the vehicle within
26 the last 10 days, and the vehicle is being driven from its place of
27 acquisition to the dealer's place of business or to an inspection station.
- 28 (3) Repealed by Session Laws 1997-29, s. 5.
- 29 (4) The charged infraction is described in subdivision (a)(1) of this
30 section, the vehicle is subject to a safety inspection or an emissions
31 inspection and the vehicle owner establishes in court that the vehicle
32 was inspected after the citation was issued and within 30 days of the
33 expiration date of the inspection sticker that was on the vehicle when
34 the citation was issued.
- 35 (c) Felony. – A person who does any of the following commits a Class I felony:
- 36 (1) Forges an inspection sticker.
- 37 (2) Buys, sells, or possesses a forged inspection sticker.
- 38 (3) Buys, sells, or possesses an inspection sticker other than as the result
39 of either of the following:
- 40 a. Having a license as an inspection station, a self-inspector, or an
41 inspection mechanic and obtaining the inspection sticker from
42 the Division in the course of business.

1 b. A vehicle inspection in which the vehicle passed the inspection
2 or for which the vehicle received a waiver.

3 (4) Solicits or accepts anything of value in order to pass a vehicle that fails
4 a safety or emissions inspection.

5 (5) Fails a vehicle for any reason not authorized by law."

6 **SECTION 14.** G.S. 20-183.8B(d) reads as rewritten:

7 "(d) Missing Stickers. – The Division must assess a civil penalty against an
8 emissions inspection ~~station~~ station, a windshield replacement station, or an emissions
9 self-inspector that cannot account for an emissions inspection sticker issued to it. A
10 station or a self-inspector cannot account for a sticker when the sticker is missing and
11 the station or self-inspector cannot establish reasonable grounds for believing the sticker
12 was stolen or destroyed by fire or another accident.

13 (d1) Penalty for Missing Stickers. – The amount of the penalty is twenty-five
14 dollars (\$25.00) for each missing sticker. If a penalty is imposed under subsection (b) of
15 this section as the result of missing stickers, the monetary penalty that applies is the
16 higher of the penalties required under this subsection and subsection (b); the Division
17 may not assess a monetary penalty as a result of missing stickers under both this
18 subsection and subsection ~~(b)~~. (b) of this section. Imposition of a monetary penalty
19 under this subsection does not affect suspension or revocation of a license required
20 under subsection ~~(b)~~. (b) of this section."

21 **SECTION 15.** G.S. 20-183.8C(a) reads as rewritten:

22 "(a) Type I. – It is a Type I violation for an emissions self-inspector, an emissions
23 inspection station, or an emissions inspection mechanic to do any of the following:

24 (1) Put an emissions inspection sticker on a vehicle without performing an
25 emissions inspection of the vehicle.

26 (1a) Put an emissions inspection sticker on a vehicle after performing an
27 emissions inspection of the vehicle and determining that the vehicle
28 did not pass the inspection.

29 (2) Use a test-defeating strategy when conducting an emissions inspection,
30 such as holding the accelerator pedal down slightly during an idle test,
31 disconnecting or crimping a vacuum hose to effect a passing result, ~~or~~
32 changing the emission standards for a vehicle by incorrectly entering
33 the vehicle type or model ~~year~~ year, or using data provided by the on-
34 board diagnostic (OBD) equipment of another vehicle to achieve a
35 passing result.

36 (3) Allow a person who is not licensed as an emissions inspection
37 mechanic to perform an emissions inspection for a self-inspector or at
38 an emissions station.

39 (4) Sell or otherwise give an inspection sticker to another other than as the
40 result of a vehicle inspection in which the vehicle passed the
41 inspection or for which the vehicle received a waiver.

- 1 (5) Be unable to account for five or more inspection stickers at any one
2 time upon the request of an auditor of the Division.
3 (6) Perform a safety-only inspection on a vehicle that is subject to both a
4 safety and an emissions inspection.
5 (7) Transfer an inspection sticker from one vehicle to another."

6 **SECTION 16.** G.S. 20-183.8C(b) reads as rewritten:

7 "(b) Type II. – It is a Type II violation for an emissions self-inspector, an
8 emissions inspection station, or an emissions inspection mechanic to do any of the
9 following:

- 10 (1) Use the identification code of another to gain access to an emissions
11 analyzer or to equipment to analyze data provided by on-board
12 diagnostic (OBD) equipment.
13 (2) Keep inspection stickers and other compliance documents in a manner
14 that makes them easily accessible to individuals who are not inspection
15 mechanics.
16 (3) Put a safety inspection sticker or an emissions inspection sticker on a
17 vehicle that is required to have one of the following emissions control
18 devices but does not have it:
19 a. Catalytic converter.
20 b. PCV valve.
21 c. Thermostatic air control.
22 d. Oxygen sensor.
23 e. Unleaded gas restrictor.
24 f. Gasoline tank cap.
25 g. Air injection system.
26 h. Evaporative emissions system.
27 i. Exhaust gas recirculation (EGR) valve.
28 (4) Put a safety inspection sticker or an emissions inspection sticker on a
29 vehicle without performing a visual inspection of the vehicle's exhaust
30 system and checking the exhaust system for leaks.
31 (5) Impose no fee for an emissions inspection of a vehicle or the issuance
32 of an emissions inspection sticker or impose a fee for one of these
33 actions in an amount that differs from the amount set in G.S.
34 20-183.7."

35 **SECTION 17.** G.S. 20-183.8F reads as rewritten:

36 "**§ 20-183.8F. Requirements for giving license holders notice of violations and for**
37 **taking summary action.**

38 (a) Finding of Violation. – When an auditor of the Division finds that a violation
39 has occurred that could result in the suspension or revocation of an inspection station
40 license, a self-inspector license, ~~or a mechanic license,~~ a mechanic license, or the
41 registration of a person engaged in the business of replacing windshields, the auditor
42 must give the affected license holder written notice of the finding. The notice must be

1 given within five business days after the ~~violation occurred.~~ completion of the
2 investigation that resulted in the discovery of the violation. The notice must state the
3 period of suspension or revocation that could apply to the violation and any monetary
4 penalty that could apply to the violation. The notice must also inform the license holder
5 of the right to a hearing if the Division charges the license holder with the violation.

6 (b) Notice of Charges. – When the Division decides to charge an inspection
7 station, a self-inspector, ~~or a mechanic~~ a mechanic, or a person who is engaged in the
8 business of replacing windshields with a violation that could result in the suspension or
9 revocation of the person's license, an auditor of the Division must deliver a written
10 statement of the charges to the affected license holder. The statement of charges must
11 inform the license holder of this right, instruct the person on how to obtain a hearing,
12 and inform the license holder of the effect of not requesting a hearing. The license
13 holder has the right to a hearing before the license is suspended or revoked. G.S.
14 20-183.8E sets out the procedure for obtaining a hearing.

15 (c) Exception for Summary Action. – The right granted by subsection (b) of this
16 section to have a hearing before a license is suspended or revoked does not apply if the
17 Division summarily suspends or revokes the license after a judge has reviewed and
18 authorized the proposed action. A license issued to an inspection station, a
19 self-inspector, or a mechanic is a substantial property interest that cannot be summarily
20 suspended or revoked without judicial review.

21 (d) A notice or statement prepared pursuant to this section or an order of the
22 Division that is directed to a mechanic may be served on the mechanic by delivering a
23 copy of the notice, statement, or order to the station or to the place of business of the
24 self-inspector where the mechanic is employed."

25 **SECTION 18.** G.S. 143-215.3A(b1) reads as rewritten:

26 "(b1) The I & M Air Pollution Control Account is established as a nonreverting
27 account within the Department. Fees transferred to the Division of Air Quality of the
28 Department pursuant to ~~G.S. 20-183.7(e)(2)~~ G.S. 20-183.7(c) shall be credited to the I
29 & M Air Pollution Control Account and shall be applied to the costs of developing and
30 implementing an air pollution control program for mobile sources."

31 **SECTION 19.** In order to detect and remedy any deficiency in the
32 equipment, computer software, or procedures used to analyze the data provided by
33 on-board diagnostic (OBD) equipment in connection with an emissions inspection, the
34 Division of Motor Vehicles of the Department of Transportation and the Division of Air
35 Quality of the Department of Environment and Natural Resources may conduct field
36 trials of the equipment, computer software, and procedures to be used during the
37 six-month period immediately prior to the implementation of OBD-based emissions
38 testing in any county. Field trials shall be conducted in accordance with Part 2 of
39 Article 3A of Chapter 20 of the General Statutes, as amended to provide for the use of
40 OBD equipment, at emissions inspection stations or by emissions self-inspectors that
41 have volunteered to conduct field trials and that have been approved by the Division of
42 Motor Vehicles to conduct the trials. A vehicle that passes a field trial emissions

1 inspection and a safety inspection shall be deemed to have met the requirements of Part
2 2 of Article 3A of Chapter 20 of the General Statutes in effect at the time the vehicle is
3 inspected and shall be issued an inspection sticker unless the vehicle improperly passes
4 the emissions inspection as a result of a defect in equipment, computer software, or
5 procedures, and the emissions inspection mechanic is aware of the defect.

6 **SECTION 20.** This act constitutes a recent act of the General Assembly
7 within the meaning of G.S. 150B-21.1. Notwithstanding G.S. 150B-21.1(a)(2) and 26
8 NCAC 2C.0102(11), the Environmental Management Commission and the Division of
9 Motor Vehicles of the Department of Transportation may adopt temporary rules to
10 implement the provisions of this act. This section shall continue in effect until all rules
11 necessary to implement the provisions of this act have become effective as either
12 temporary rules or permanent rules.

13 **SECTION 21.** The Environmental Review Commission shall review the
14 motor vehicle emissions inspection and maintenance program to determine ways in
15 which the cost of the program to vehicle owners could be reduced. In particular, the
16 Commission shall consider the advantages and disadvantages of requiring that vehicles
17 undergo an emissions inspection no more frequently than once every two years. The
18 Commission may report its findings and recommendations to the 2002 Regular Session
19 of the 2001 General Assembly and shall report its findings and recommendations to the
20 2003 General Assembly.

21 **SECTION 22.** The Joint Legislative Transportation Oversight Committee
22 shall study the motor vehicle safety inspection program administered pursuant to Part 2
23 of Article 3A of Chapter 20 of the General Statutes. The Committee shall evaluate the
24 current implementation of the safety inspection program and its effectiveness in
25 reducing the operation of unsafe vehicles and in preventing motor vehicle accidents and
26 resulting property loss, personal injury, and death. The Committee shall determine the
27 cost and benefits of the safety program to the public and to the State. As a part of its
28 study of the motor vehicle safety inspection program, the Committee shall review the
29 policies and experience of other states; evaluate other studies of this topic; evaluate the
30 impact of the safety inspection programs on insurance rates in this and other states;
31 evaluate the impact on the expansion of the emissions inspection program to additional
32 counties if the safety inspection program were eliminated; determine the impact on the
33 Highway Fund, the Volunteer Rescue/EMS Fund and the Rescue Squad Workers' Relief
34 Fund if the safety inspection program were eliminated; and investigate other
35 considerations that may be relevant. The Committee may make an interim report of its
36 finding and recommendations to the 2002 Regular Session of the 2001 General
37 Assembly and shall present a final report of its findings and recommendations to the
38 2003 General Assembly.

39 **SECTION 22.1.(a)** Notwithstanding any provision of Part 2 of Article 3A of
40 Chapter 20 of the General Statutes or any provision of this act to the contrary, a motor
41 vehicle that is subject to a safety inspection under G.S. 20-183.2 is subject to a safety
42 inspection only as follows:

- 1 (1) A new vehicle, as defined in G.S. 20-286(10)a., is subject to a safety
2 inspection at the time it is sold to any person other than a new motor
3 vehicle dealer, or between a manufacturer and dealer of the same
4 franchise. The vehicle is next subject to a safety inspection no later
5 than the last day of the 36th month after the vehicle is sold to any
6 person other than a new motor vehicle dealer, or between a
7 manufacturer and dealer of the same franchise, and annually thereafter.
- 8 (2) A used motor vehicle, as defined in G.S. 20-286(10)b., is subject to a
9 safety inspection as provided in G.S. 20-183.4C except that a used
10 vehicle that has received a safety inspection as provided in
11 G.S. 20-183.4C is not subject to another safety inspection until the
12 later of: (i) the last day of the 36th month after the vehicle is sold to
13 any person other than a new motor vehicle dealer, or between a
14 manufacturer and dealer of the same franchise or (ii) the last day of the
15 12th month after the vehicle receives a safety inspection.
- 16 (3) Notwithstanding G.S. 20-183.3(b), a motor vehicle that is subject to an
17 annual emissions inspection is not subject to a safety inspection except
18 as provided in subdivisions (1) and (2) of this subsection.

19 **SECTION 22.1.(b)** Notwithstanding any provision of Part 2 of Article 3A of
20 Chapter 20 of the General Statutes or any provision of this act to the contrary, the
21 Division of Motor Vehicles shall adopt rules to implement the schedule of fees set out
22 in G.S. 20-183.7 as follows:

- 23 (1) The inspection fee applicable to an emissions and safety inspection
24 shall be reduced by the amount of the inspection fee for a safety only
25 inspection when a motor vehicle is not subject to a safety inspection as
26 provided in subsection (a) of this section.
- 27 (2) The sticker fee applicable to a safety only inspection shall be increased
28 so that the revenue available to the Highway Fund, the Volunteer
29 Rescue/EMS Fund, and the Rescue Squad Workers' Relief Fund will
30 not be less than the revenue that would have been available to those
31 funds during the 2001-2002 fiscal year if this section had not become
32 law.
- 33 (3) The sticker fee applicable to a safety only inspection shall be increased
34 so that the revenue available to the Telecommunications Account will
35 be sufficient to achieve the purposes for which the Account was
36 created as set out in G.S. 20-183.7(d1), as enacted by Section 1 of this
37 act.

38 **SECTION 23.** Sections 1, 3.3, and 10 of this act become effective on 1
39 November 2001. Sections 2, 4, 9, 11, 12, 13, 14, 15, 16, 17, 19, and 22.1 of this act
40 become effective 1 January 2002. Section 7 of this act becomes effective 1 July 2002.
41 Section 3 of this act becomes effective 1 January 2003. Sections 5 and 6 of this act
42 become effective 1 July 2003. Sections 3.1 and 3.2 of this act become effective 1 July

1 2007. Sections 8, 18, 20, 21, 22, and 23 of this act are effective when this act becomes
2 law.