

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**HOUSE BILL 969
RATIFIED BILL**

AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF THE AMBIENT AIR QUALITY IMPROVEMENT ACT OF 1999, AS AMENDED BY S.L. 2000-134, BY INCREASING THE FEES CHARGED FOR MOTOR VEHICLE EMISSIONS AND SAFETY INSPECTIONS, AND TO MAKE OTHER AMENDMENTS TO THE LAWS GOVERNING MOTOR VEHICLE SAFETY AND EMISSIONS INSPECTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. 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	\$ 8.25	\$ 1.00 1.05
Emissions and Safety	17.00 23.50	2.40 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.

The inspection fee for an emissions and safety inspection set out in this subsection is the maximum amount that an inspection station or an inspection mechanic may charge for an emissions and safety inspection of a vehicle. An inspection station or an inspection mechanic may charge the maximum amount or any lesser amount for an emissions and safety inspection of a vehicle. The inspection fee for a safety only inspection set out in this subsection may not be increased or decreased. The sticker fees set out in this subsection may not be increased or decreased.

(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 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	1.80 3.80
<u>Telecommunications Account</u>	.00	<u>1.75</u>
Volunteer Rescue/EMS Fund	.15 .18	.15 .18
Rescue Squad Workers' Relief Fund	.10 .12	.10 .12
Division of Air Quality	.00	.35 .65.

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

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

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

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

- (1) The maximum and minimum amounts of the inspection fee authorized by this section.
- (2) The amount of the inspection fee charged by the inspection station and a statement that clearly indicates that the amount of the inspection fee is determined by the inspection station, that the inspection fee is retained by the inspection station to compensate the station for performing the inspection, and that the inspection fee is not paid to the State.
- (3) The amount of the sticker fee, if the motor vehicle passes the inspection, a statement that the sticker fee is paid to the State, and a brief summary of the purposes for which the sticker fee is collected.
- (4) The total fee to be charged if the motor vehicle passes the inspection.
- (5) A statement that a vehicle that fails an inspection may be reinspected at the same station within 30 days of the inspection without payment of another inspection fee.

(g) Information on Receipt. – The information set out in subdivisions (1) through (5) of subsection (f) of this section shall be set out in not smaller than 12 point type and shall be shown graphically in the form of a pie chart on the inspection receipt.

(h) Subsections (f) and (g) of this section apply only to inspection stations that perform both emissions and safety inspections."

SECTION 2. G.S. 20-183.7, as amended by Section 1 of this act, 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	\$ 8.25	\$ 4.05 .85
Emissions and Safety	23.50	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.

The inspection fee for an emissions and safety inspection set out in this subsection is the maximum amount that an inspection station or an inspection mechanic may charge for an emissions and safety inspection of a vehicle. An inspection station or an inspection mechanic may charge the maximum amount or any lesser amount for an emissions and safety inspection of a vehicle. The inspection fee for a safety only inspection set out in this subsection may not be increased or decreased. The sticker fees set out in this subsection may not be increased or decreased.

(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 3.00
Telecommunications Account	.00	1.75
Volunteer Rescue/EMS Fund	.18	.18
Rescue Squad Workers' Relief Fund	.12	.12
Division of Air Quality	.00	.65 .65
<u>Highway Trust Fund Repayment Fee</u>	<u>.00</u>	<u>.25.</u>

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

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

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

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

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

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

- (1) The maximum and minimum amounts of the inspection fee authorized by this section.
- (2) The amount of the inspection fee charged by the inspection station and a statement that clearly indicates that the amount of the inspection fee is determined by the inspection station, that the inspection fee is retained by the inspection station to compensate the station for performing the inspection, and that the inspection fee is not paid to the State.
- (3) The amount of the sticker fee, if the motor vehicle passes the inspection, a statement that the sticker fee is paid to the State, and a brief summary of the purposes for which the sticker fee is collected.
- (4) The total fee to be charged if the motor vehicle passes the inspection.
- (5) A statement that a vehicle that fails an inspection may be reinspected at the same station within 30 days of the inspection without payment of another inspection fee.

(g) Information on Receipt. – The information set out in subdivisions (1) through (5) of subsection (f) of this section shall be set out in not smaller than 12 point type and shall be shown graphically in the form of a pie chart on the inspection receipt.

(h) Subsections (f) and (g) of this section apply only to inspection stations that perform both emissions and safety inspections."

SECTION 3. G.S. 20-183.7, as amended by Sections 1 and 2 of this act, 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	\$ 8.25	\$.85
Emissions and Safety	23.50 <u>23.75</u>	6.50 <u>6.25</u> .

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.

The inspection fee for an emissions and safety inspection set out in this subsection is the maximum amount that an inspection station or an inspection mechanic may charge for an emissions and safety inspection of a vehicle. An inspection station or an inspection mechanic may charge the maximum amount or any lesser amount for an emissions and safety inspection of a vehicle. The inspection fee for a safety only inspection set out in this subsection may not be increased or decreased. The sticker fees set out in this subsection may not be increased or decreased.

(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	.55	.55
Emissions Program Account	.00	3.00
Telecommunications Account	.00	1.75
Volunteer Rescue/EMS Fund	.18	.18
Rescue Squad Workers' Relief Fund	.12	.12
Division of Air Quality	.00	<u>.65.65.</u>
Highway Trust Fund Repayment Fee	.00	.25.

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

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

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

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

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

- (1) The maximum and minimum amounts of the inspection fee authorized by this section.
- (2) The amount of the inspection fee charged by the inspection station and a statement that clearly indicates that the amount of the inspection fee is determined by the inspection station, that the inspection fee is retained by the inspection station to compensate the station for performing the inspection, and that the inspection fee is not paid to the State.
- (3) The amount of the sticker fee, if the motor vehicle passes the inspection, a statement that the sticker fee is paid to the State, and a brief summary of the purposes for which the sticker fee is collected.
- (4) The total fee to be charged if the motor vehicle passes the inspection.
- (5) A statement that a vehicle that fails an inspection may be reinspected at the same station within 30 days of the inspection without payment of another inspection fee.

(g) Information on Receipt. – The information set out in subdivisions (1) through (5) of subsection (f) of this section shall be set out in not smaller than 12 point type and shall be shown graphically in the form of a pie chart on the inspection receipt.

(h) Subsections (f) and (g) of this section apply only to inspection stations that perform both emissions and safety inspections."

SECTION 4. G.S. 20-183.2(b)(3) reads as rewritten:

"(3) It is a ~~1975 or later model~~ fewer than 25 model years old."

SECTION 5. G.S. 20-183.2(b)(3) reads as rewritten:

"(3) ~~It is fewer than 25 model years old.~~ Except as provided in G.S. 20-183.3(b), it is a 1996 or later model."

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

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

"(b) Emissions. – An emissions inspection of a motor vehicle consists of a visual inspection of the vehicle's emissions control devices to determine if the devices are present, are properly connected, and are the correct type for the vehicle and, if the vehicle is a ~~1975 through 1995~~ fewer than 25 model years old and not a 1996 or later model, an analysis of the exhaust emissions of the vehicle to determine if the exhaust emissions meet the standards for the model year of the vehicle set by the Environmental Management Commission or, if the vehicle is a 1996 or later model, an analysis of data provided by the on-board diagnostic (OBD) equipment installed by the vehicle manufacturer to identify any deterioration or malfunction in the operation of the vehicle that violates standards for the model year of the vehicle set by the Environmental Management Commission. To pass an emissions inspection a vehicle must pass both the visual inspection and, if the vehicle is a ~~1975 through 1995~~ fewer than 25 model years old and not a 1996 or later model, the exhaust emissions analysis or, if the vehicle is a 1996 or later model, the OBD analysis. When an emissions inspection is performed on a vehicle, a safety inspection must be performed on the vehicle as well."

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

"Section 20. During the period 1 July 2002 through 31 December 2005, in the counties of Cabarrus, Durham, Forsyth, Gaston, Guilford, Mecklenburg, Orange, Union, and Wake, an emissions inspection station, an emissions inspection mechanic, and an emissions self-inspector, as those terms are used in G.S. 20-183.4A, may elect to

perform emissions inspections: (i) only on ~~1975 through 1995~~ and older model vehicles that are fewer than 25 model years old using an emissions analyzer; (ii) only on 1996 or later model vehicles using equipment to analyze data provided by the on-board diagnostic (OBD) equipment, or (iii) both on ~~1975 through 1995~~ and older model vehicles that are fewer than 25 model years old using an emissions analyzer and on 1996 or later model vehicles using equipment to analyze data provided by the on-board diagnostic (OBD) equipment. This section shall not be construed to authorize an emissions inspection station or an emissions self-inspector to perform an emissions inspection on a vehicle of a model year for which the emissions inspection station or emissions self-inspector does not have the equipment necessary to perform an emissions inspection of vehicles of that model year. This section shall not be construed to authorize an emissions inspection mechanic to perform an emissions inspection on a vehicle unless the emissions inspection mechanic has successfully completed a course, as required by G.S. 20-183.4A(2) or G.S. 20-183.4A(2a), that includes training on the use of the equipment necessary to perform an emissions inspection on vehicles of that model year."

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

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

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

- (1) Fails a safety inspection because it does not have one or more emissions control devices.
- (2) Has documented repairs within the previous calendar year to replace missing emissions control devices costing at least the waiver amount made to the vehicle to correct the cause of the failure. The waiver amount is seventy-five dollars (\$75.00) if the vehicle is a pre-1981 model and is two hundred dollars (\$200.00) if the vehicle is a 1981 or newer model.

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

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

- (1) Repairs covered by a warranty that applies to the vehicle.
- (2) Repairs needed as a result of tampering with an emission control device of the vehicle.
- (3) If the vehicle is a 1981 or newer model, repairs made by an individual who is not engaged in the business of repairing vehicles.

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

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

- "(8) It is not a privately owned, nonfleet motor home or house car, as defined in G.S. 20-4.01(27)d2., that is built on a single chassis, has a

gross vehicle weight of more than 10,000 pounds, and is designed primarily for recreational use."

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

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

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

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

(a) Kinds of Violations. – The civil penalty schedule established in this section applies to safety self-inspectors, safety inspection stations, and safety inspection mechanics. The schedule categorizes safety violations into serious (Type I), minor (Type II), and technical (Type III) violations. A serious violation is a violation of this Part or a rule adopted to implement this Part that directly affects the safety or emissions reduction benefits of the safety inspection program. A minor violation is a violation of this Part or a rule adopted to implement this Part that reflects negligence or carelessness in conducting a safety inspection or complying with the safety inspection requirements but does not directly affect the safety benefits or emission reduction benefits of the safety inspection program. A technical violation is a violation that is not a serious violation, a minor violation, or another type of offense under this Part.

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

- (1) Type I. – For a first or second Type I violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the license of the business for six months. For a third or subsequent Type I violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of one thousand dollars (\$1,000) and revoke the license of the business for two years. For a first or second Type I violation within seven years by a safety inspection mechanic, assess a civil penalty of one hundred dollars (\$100.00) and suspend the mechanic's license for six months. For a third or subsequent Type I violation within seven years by a safety inspection mechanic, assess a civil penalty of two hundred fifty dollars (\$250.00) and revoke the mechanic's license for two years.
- (2) Type II. – For a first or second Type II violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of one hundred dollars (\$100.00). For a third or subsequent Type II violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the license of the business for 90 days. For a first or second Type II violation within seven years by a safety inspection mechanic, assess a civil penalty of fifty dollars (\$50.00). For a third or subsequent Type II violation within seven years by a safety inspection mechanic, assess a civil penalty of one hundred dollars (\$100.00) and suspend the mechanic's license for 90 days.
- (3) Type III. – For a first or second Type III violation within seven years by a safety self-inspector, a safety inspection station, or a safety inspection mechanic, send a warning letter. For a third or subsequent Type III violation within seven years by the same safety license holder, assess a civil penalty of twenty-five dollars (\$25.00).

(c) Station or Self-Inspector Responsibility. – It is the responsibility of a safety inspection station and a safety self-inspector to supervise the safety inspection mechanics it employs. A violation by a safety inspection mechanic is considered a violation by the station or self-inspector for whom the mechanic is employed.

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

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

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

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

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

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

- (1) Put a safety inspection sticker on a vehicle without driving the vehicle and checking the vehicle's braking reaction, foot brake pedal reserve, and steering free play.
- (2) Put a safety inspection sticker on a vehicle without raising the vehicle to free each wheel and checking the vehicle's tires, brake lines, parking brake cables, wheel drums, exhaust system, and the emissions equipment.
- (3) Put a safety inspection sticker on a vehicle without raising the hood and checking the master cylinder, horn mounting, power steering, and emissions equipment.
- (4) Conduct a safety inspection of a vehicle outside the designated inspection area.
- (5) Put a safety inspection sticker on a vehicle with inoperative equipment, or with equipment that does not conform to the vehicle's original equipment or design specifications, or with equipment that is prohibited by any provision of law.

- (6) Put a safety inspection sticker on a vehicle without performing a visual inspection of the vehicle's exhaust system.
- (7) Put a safety inspection sticker on a vehicle without checking the exhaust system for leaks.
- (8) Put a safety inspection sticker on a vehicle that is required to have any of the following emissions control devices but does not have the device:
 - a. Catalytic converter.
 - b. PCV valve.
 - c. Thermostatic air control.
 - d. Oxygen sensor.
 - e. Unleaded gas restrictor.
 - f. Gasoline tank cap.
 - g. Air injection system.
 - h. Evaporative emissions system.
 - i. Exhaust gas recirculation (EGR) valve.
- (9) Put a safety inspection sticker on a vehicle after failing to inspect four or more of the following:
 - a. Emergency brake.
 - b. Horn.
 - c. Headlight high beam indicator.
 - d. Inside rearview mirror.
 - e. Outside rearview mirror.
 - f. Turn signals.
 - g. Parking lights.
 - h. Headlights – operation and lens.
 - i. Headlights – aim.
 - j. Stoptlights.
 - k. Taillights.
 - l. License plate lights.
 - m. Windshield wiper.
 - n. Windshield wiper blades.
 - o. Window tint.
- (10) Impose no fee for a safety inspection of a vehicle or the issuance of a safety inspection sticker or impose a fee for one of these actions in an amount that differs from the amount set in G.S. 20-183.7.

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

- (1) Fail to post a safety inspection station license issued by the Division.
- (2) Fail to send information on safety inspections to the Division at the time or in the form required by the Division.
- (3) Fail to post all safety information required by federal law and by the Division.
- (4) Fail to put the required information on an inspection sticker or inspection receipt in a legible manner using ink.
- (5) Issue a receipt that is signed by a person other than the safety inspection mechanic.
- (6) Place an incorrect expiration date on an inspection sticker.
- (7) Put a safety inspection sticker on a vehicle after having failed to inspect three or fewer of the following:
 - a. Emergency brake.
 - b. Horn.
 - c. Headlight high beam indicator.
 - d. Inside rearview mirror.
 - e. Outside rearview mirror.

- f. Turn signals.
- g. Parking lights.
- h. Headlights – operation and lens.
- i. Headlights – aim.
- j. Stoplights.
- k. Taillights.
- l. License plate lights.
- m. Windshield wiper.
- n. Windshield wiper blades.
- o. Window tint.

(d) Other Acts. – The lists in this section of the acts that are Type I, Type II, or Type III violations are not the only acts that are one of these types of violations. The Division may designate other acts that are a Type I, Type II, or Type III violation."

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

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

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

- (1) Operates a motor vehicle that is subject to inspection under this Part on a highway or public vehicular area in the State when the vehicle has not been inspected in accordance with this Part, as evidenced by the vehicle's lack of a current inspection sticker or otherwise.
- (2) Allows an inspection sticker to be put on a vehicle owned or operated by that person, knowing that the vehicle was not inspected before the sticker was attached or was not inspected properly.
- (3) Puts an inspection sticker on a vehicle, knowing or having reasonable grounds to know that an inspection of the vehicle was not performed or was performed improperly. A person who is cited for a civil penalty under G.S. 20-183.8B for an emissions violation involving the inspection of a vehicle may not be charged with an infraction under this subdivision based on that same vehicle.
- (4) Alters the original certified configuration or data link connectors of a vehicle in such a way as to make an emissions inspection by analysis of data provided by on-board diagnostic (OBD) equipment inaccurate or impossible.

(b) **Defenses to Infractions.** – Any of the following is a defense to a violation under subsection (a) of this section:

- (1) The vehicle was continuously out of State for at least the 30 days preceding the date the inspection sticker expired and a current inspection sticker was obtained within 10 days after the vehicle came back to the State.
- (2) The vehicle displays a dealer license plate or a transporter plate, the dealer repossessed the vehicle or otherwise acquired the vehicle within the last 10 days, and the vehicle is being driven from its place of acquisition to the dealer's place of business or to an inspection station.
- (3) Repealed by Session Laws 1997-29, s. 5.
- (4) The charged infraction is described in subdivision (a)(1) of this section, the vehicle is subject to a safety inspection or an emissions inspection and the vehicle owner establishes in court that the vehicle was inspected after the citation was issued and within 30 days of the expiration date of the inspection sticker that was on the vehicle when the citation was issued.

(c) **Felony.** – A person who does any of the following commits a Class I felony:

- (1) Forges an inspection sticker.
- (2) Buys, sells, or possesses a forged inspection sticker.

- (3) Buys, sells, or possesses an inspection sticker other than as the result of either of the following:
 - a. Having a license as an inspection station, a self-inspector, or an inspection mechanic and obtaining the inspection sticker from the Division in the course of business.
 - b. A vehicle inspection in which the vehicle passed the inspection or for which the vehicle received a waiver.
- (4) Solicits or accepts anything of value in order to pass a vehicle that fails a safety or emissions inspection.
- (5) Fails a vehicle for any reason not authorized by law."

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

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

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

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

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

- (1) Put an emissions inspection sticker on a vehicle without performing an emissions inspection of the vehicle.
- (1a) Put an emissions inspection sticker on a vehicle after performing an emissions inspection of the vehicle and determining that the vehicle did not pass the inspection.
- (2) Use a test-defeating strategy when conducting an emissions inspection, such as holding the accelerator pedal down slightly during an idle test, disconnecting or crimping a vacuum hose to effect a passing result, ~~or~~ changing the emission standards for a vehicle by incorrectly entering the vehicle type or model ~~year~~ year, or using data provided by the on-board diagnostic (OBD) equipment of another vehicle to achieve a passing result.
- (3) Allow a person who is not licensed as an emissions inspection mechanic to perform an emissions inspection for a self-inspector or at an emissions station.
- (4) Sell or otherwise give an inspection sticker to another other than as the result of a vehicle inspection in which the vehicle passed the inspection or for which the vehicle received a waiver.
- (5) Be unable to account for five or more inspection stickers at any one time upon the request of an auditor of the Division.
- (6) Perform a safety-only inspection on a vehicle that is subject to both a safety and an emissions inspection.
- (7) Transfer an inspection sticker from one vehicle to another."

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

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

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

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

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

(a) Finding of Violation. – When an auditor of the Division finds that a violation has occurred that could result in the suspension or revocation of an inspection station license, a self-inspector license, ~~or a mechanic license,~~ a mechanic license, or the registration of a person engaged in the business of replacing windshields, the auditor must give the affected license holder written notice of the finding. The notice must be given within five business days after the ~~violation occurred.~~ completion of the investigation that resulted in the discovery of the violation. The notice must state the period of suspension or revocation that could apply to the violation and any monetary penalty that could apply to the violation. The notice must also inform the license holder of the right to a hearing if the Division charges the license holder with the violation.

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

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

(d) A notice or statement prepared pursuant to this section or an order of the Division that is directed to a mechanic may be served on the mechanic by delivering a

copy of the notice, statement, or order to the station or to the place of business of the self-inspector where the mechanic is employed."

SECTION 18. In order to detect and remedy any deficiency in the equipment, computer software, or procedures used to analyze the data provided by on-board diagnostic (OBD) equipment in connection with an emissions inspection, the Division of Motor Vehicles of the Department of Transportation and the Division of Air Quality of the Department of Environment and Natural Resources may conduct field trials of the equipment, computer software, and procedures to be used during the six-month period immediately prior to the implementation of OBD-based emissions testing in any county. Field trials shall be conducted in accordance with Part 2 of Article 3A of Chapter 20 of the General Statutes, as amended to provide for the use of OBD equipment, at emissions inspection stations or by emissions self-inspectors that have volunteered to conduct field trials and that have been approved by the Division of Motor Vehicles to conduct the trials. A vehicle that passes a field trial emissions inspection and a safety inspection shall be deemed to have met the requirements of Part 2 of Article 3A of Chapter 20 of the General Statutes in effect at the time the vehicle is inspected and shall be issued an inspection sticker unless the vehicle improperly passes the emissions inspection as a result of a defect in equipment, computer software, or procedures, and the emissions inspection mechanic is aware of the defect.

SECTION 19. This act constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1. Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Environmental Management Commission and the Division of Motor Vehicles of the Department of Transportation may adopt temporary rules to implement the provisions of this act. This section shall continue in effect until all rules necessary to implement the provisions of this act have become effective as either temporary rules or permanent rules.

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

SECTION 21. The Joint Legislative Transportation Oversight Committee shall study the motor vehicle safety inspection program administered pursuant to Part 2 of Article 3A of Chapter 20 of the General Statutes. The Committee shall evaluate the current implementation of the safety inspection program and its effectiveness in reducing the operation of unsafe vehicles and in preventing motor vehicle accidents and resulting property loss, personal injury, and death. The Committee shall determine the cost and benefits of the safety program to the public and to the State. As a part of its study of the motor vehicle safety inspection program, the Committee shall review the policies and experience of other states; evaluate other studies of this topic; evaluate the impact of the safety inspection programs on insurance rates in this and other states; evaluate the impact on the expansion of the emissions inspection program to additional counties, including the impact on the Telecommunications Fund, if the current safety inspection program were reduced or eliminated; determine the impact on the Highway Fund, the Volunteer Rescue/EMS Fund, and the Rescue Squad Workers' Relief Fund if the current safety inspection program were reduced or eliminated; evaluate the advantages and disadvantages of the use of an online data system if the safety inspection program is retained; and investigate other considerations that may be relevant. The Committee may present an interim report of its findings and recommendations to the 2002 Regular Session of the 2001 General Assembly and shall present a final report of its findings and recommendations to the 2003 General Assembly.

SECTION 22. The Department of Transportation may transfer up to two million seven hundred thousand dollars (\$2,700,000) from the Highway Trust Fund to the Division of Motor Vehicles. The Division of Motor Vehicles shall use these funds only to pay the charges for telecommunications services associated with the emissions inspection and maintenance program that have accrued during the 2001 calendar year. These funds shall be repaid to the Highway Trust Fund with fees collected pursuant to the Highway Trust Fund Repayment Fee established in G.S. 20-183.7, as amended by Sections 1, 2, and 3 of this act. Interest shall accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the average annual yield that the State Treasurer obtains on investment of funds in the Highway Trust Fund pursuant to G.S. 147-69.1. Any funds collected pursuant to the Highway Trust Fund Repayment Fee prior to the effective date of Sections 3 and 4 of this act that are not required to repay the Highway Trust Fund as provided in this section shall be credited to the Emissions Program Account established by G.S. 20-183.7(c).

SECTION 23. Sections 1, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 of this act become effective 1 January 2002. Section 7 of this act becomes effective 1 July 2002. Section 2 of this act becomes effective 1 January 2003. Sections 5 and 6 of this act become effective 1 July 2003. Section 3 of this act becomes effective 1 July 2007. Sections 8, 19, 20, 21, 22, and 23, of this act are effective when this act becomes law.

In the General Assembly read three times and ratified this the 6th day of December, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2001