

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 509 (Fourth Edition)

SHORT TITLE: Motor Vehicle Inspection Changes.

SPONSOR(S): Senator Brown

FISCAL IMPACT					
	Yes (x)	No ( )	No Estimate Available (x)		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES	(\$12,119,079)	(\$13,628,565)	(\$14,040,121)	(\$14,464,024)	(\$14,900,644)
	***Civil Penalty and Forfeiture Fund				
EXPENDITURES	**No estimate available				
POSITIONS (cumulative):	-				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Division of Motor Vehicles					
Division of Air Quality					
Civil Penalty and Forfeiture Fund					
EFFECTIVE DATE: July 30, 2007					

BILL SUMMARY: Amends GS 20-183.7(a) as title indicates, to increase the time period from 30 to 60 days. Effective July 1, 2007.

May 10, 2007

S 509. MOTOR VEHICLE INSPECTION CHANGES. Filed 3/5/07. Senate committee substitute makes the following changes to 1st edition. Amends GS 20-183.3(c) by increasing the time allowed for presenting a vehicle for reinspection after it fails inspection from within 30 days to 60 days after failing the original inspection, effective January 1, 2009. Amends GS 20-183.8A by adding an exemption from the civil penalty for emissions violations for military personnel on active duty if (1) the person was deployed outside of the US or stationed outside of NC on or after the date that the vehicle was required to be inspected, (2) no one operated the vehicle after it was required to be inspected, and (3) the vehicle passed inspection before the request for the exemption. Eliminates the \$100 civil penalty for emissions violations for pre-1981 vehicles.

Provides that the \$250 civil penalty applies only if the vehicle is 1996 or newer (was, 1981 or newer). Amends GS 20-183.8B to increase the civil penalties for clean scanning and Type I emissions violations. Corrects drafting error regarding GS 20-183.7(a) and changes the effective date of the amendments to GS 20-183.7(a) from July 1, 2007, to January 1, 2009. Makes conforming changes to title.

May 23, 2007

S 509. MOTOR VEHICLE INSPECTION CHANGES. Filed 3/5/07. Senate committee substitute makes the following changes to 2nd edition. Modifies proposed GS 20-183.8A to remove the penalties based on the vehicles' model year and impose penalties as follows: (1) a \$25 penalty for failing to have the vehicle inspected within four months after the inspection is required, (2) a \$100 penalty for instructing or allowing a person to tamper with an emission control device, and (3) a \$200 fine for incorrectly stating the vehicle's county of registration to avoid an emissions inspection. Also requires the Division of Motor Vehicles to waive the civil penalties (was, the civil penalty does not apply to) against a person who establishes the following: (1) the person was continuously out of state on active military duty from the date the inspection sticker expired to the end of the four-month grace period, (2) no one operated the vehicle from the date the inspection sticker expired to the end of the four-month grace period, and (3) the person obtained a current inspection sticker within 30 days after returning to the state. Makes a conforming change to the statute's catch line. Deletes the proposed amendments to GS 20-183.8B that would have increased penalties for emission inspectors and established a penalty for clean scanning. Changes the effective date to provide that the changes to the civil penalties apply to penalties assessed for violations committed on or after the date that the act becomes law. Makes a conforming title change.

July 25, 2007

S 509. MOTOR VEHICLE INSPECTION CHANGES. Filed 3/5/07. House committee substitute makes the following changes to 3rd edition. Makes a technical correction to Section 2 to reflect the current version of GS 20-183.7(a). Modifies proposed amendments to GS 20-183.8A to increase the proposed civil penalties for certain emissions violations: (1) from \$100 to \$250 for instructing or allowing a person to interfere with or disable the operation of a vehicle emission control device and (2) from \$200 to \$250 for providing false information regarding a vehicle's county of registration in order to avoid having an emissions inspection of the vehicle

*Source: Bill Digest S.B. 509 (03/05/0200).*

#### **ASSUMPTIONS AND METHODOLOGY:**

1. The current civil penalty is \$250 for failing to have a vehicle pass an emissions inspection test within four months of the date due and this act reduces the penalty to \$25. The reduction would result in a loss of revenues. The civil penalties do not go into the Highway Fund but go into the Civil Penalty and Forfeiture Account for Department of Public Instruction. The decrease would be approximately \$13.7M annually; it is estimated that there is a 3% growth in number of penalties assessed and collected annually.
2. The Division of Motor Vehicles estimates the additional amount of civil penalties to be collected against inspection stations, self-inspectors and mechanics will result in additional revenues of approximately \$90,000 annually. The net amount of decreased revenues shown above includes the estimated additional amount for these civil penalties.

3. The Division of Air quality will incur costs to modify the specifications of the Inspection Analyzer to reflect the change of 30 to 60 days and the emission inspection stations may also incur costs to upgrade their software for the station emissions analyzers. There are no estimates available for these costs.

**SOURCES OF DATA:**

Division of Motor Vehicles

**TECHNICAL CONSIDERATIONS:**

1. Federal Regulations require states to impose civil penalties as a meaningful deterrent for motorists to comply with emissions testing requirements. It is not known if the Environmental Protection Agency will allow the reduced \$25 civil penalty as an acceptable level to deter motorists from noncompliance.
2. The reduced civil penalties will not impact the Highway Fund but will reduce funds going into the Civil Penalties and Forfeitures Fund used for local school systems.

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**DATE:** July 30, 2007



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