

# 39:8-1

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2010                      **CHAPTER:** 29

**NJSA:** 39:8-1 (Extends waiver for new car inspection to five years and eliminates safety inspections for certain motor vehicles)

**BILL NO:** S2090 (Substituted for A3017)

**SPONSOR(S)** Ciesla and others

**DATE INTRODUCED:** June 21, 2010

**COMMITTEE:**                      **ASSEMBLY:** ---

**SENATE:** Budget

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**                      **ASSEMBLY:** June 28, 2010

**SENATE:** June 28, 2010

**DATE OF APPROVAL:** June 29, 2010

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Introduced version of bill enacted)

#### **S2090**

**SPONSOR'S STATEMENT:** (Begins on page 9 of introduced bill) Yes

**COMMITTEE STATEMENT:**                      **ASSEMBLY:** No

**SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

#### **A3017**

**SPONSOR'S STATEMENT:** (Begins on page 9 of introduced bill) Yes

**COMMITTEE STATEMENT:**                      **ASSEMBLY:** Yes

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"MVC puts brakes on safety inspections," Asbury Park Press, 7-1-10.

LAW/KR

# SENATE, No. 2090

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 21, 2010

**Sponsored by:**

**Senator ANDREW R. CIESLA**

**District 10 (Monmouth and Ocean)**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**Assemblyman SCOTT RUDDER**

**District 8 (Burlington)**

**Assemblyman JOHN F. AMODEO**

**District 2 (Atlantic)**

**SYNOPSIS**

Extends waiver for new car inspections to five years and eliminates safety inspections for certain motor vehicles.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/29/2010)**

S2090 CIESLA, SCUTARI

2

1 AN ACT concerning motor vehicle inspections and amending  
2 chapter 8 of Title 39 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.39:8-1 is amended to read as follows:

8 39:8-1. a. Every motor vehicle registered in this State which is  
9 used over any public road, street, or highway or any public or quasi-  
10 public property in this State, and every vehicle subject to enhanced  
11 inspection and maintenance programs pursuant to 40 C.F.R.  
12 s.51.356, except motorcycles, historic motor vehicles registered as  
13 such, collector motor vehicles designated as such pursuant to this  
14 subsection, and those vehicles over 8,500 pounds gross weight that  
15 are under the inspection jurisdiction of the commission pursuant to  
16 Titles 27 and 48 **[(as amended by this legislation)]** of the Revised  
17 Statutes, shall be inspected by designated inspectors or at official  
18 inspection facilities to be designated by the commission or at  
19 licensed private inspection facilities. Passenger automobiles  
20 registered in accordance with R.S.39:3-4 or R.S.39:3-27 and  
21 noncommercial trucks registered in accordance with section 2 of  
22 P.L.1968, c.439 (C.39:3-8.1) or R.S.39:3-27 inspected pursuant to  
23 this section shall only be inspected for emissions and emission-  
24 related items such as emission control equipment and on-board  
25 diagnostics. The commission shall adopt rules and regulations  
26 establishing a procedure for the designation of motor vehicles as  
27 collector motor vehicles, which designation shall include  
28 consideration by the commission of one or more of the following  
29 factors: the age of the vehicle, the number of such vehicles  
30 originally manufactured, the number of such vehicles that are  
31 currently in use, the total number of miles the vehicle has been  
32 driven, the number of miles the vehicle has been driven during the  
33 previous year or other period of time determined by the  
34 commission, and whether the vehicle has a collector classification  
35 for insurance purposes.

36 b. The commission shall determine the official inspection  
37 facility or private inspection facility at which a motor vehicle,  
38 depending upon its characteristics, shall be inspected. The  
39 commission, with the concurrence of the Department of  
40 Environmental Protection, may exclude by regulation from this  
41 inspection requirement any category of motor vehicle if good cause  
42 for such exclusion exists, unless the exclusion is likely to prevent  
43 this State from meeting the applicable performance standard  
44 established by the United States Environmental Protection Agency.  
45 The commission may determine that a vehicle is in compliance with

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1 the inspection requirements of this section if the vehicle has been  
2 inspected and passed under a similar inspection program of another  
3 state, district, or territory of the United States.  
4 (cf: P.L.2009, c.331, s.4)

5

6 2. R.S.39:8-2 is amended to read as follows:

7 39:8-2. a. The commission may designate and appoint, subject to  
8 existing laws, competent inspectors of motor vehicles to conduct  
9 examinations, other than the periodic inspections required pursuant  
10 to subsection b. of this section, of motor vehicles required to be  
11 inspected in accordance with the provisions of this chapter. The  
12 inspectors may be delegated to enforce the provisions of the motor  
13 vehicle and traffic law.

14 b. (1) The commission shall adopt, pursuant to the  
15 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
16 seq.), rules and regulations consistent with P.L.1966, c.16  
17 (C.26:2C-8.1 et seq.) and with the requirements of the federal Clean  
18 Air Act with respect to the type and character of the inspections to  
19 be made, the facility at which the vehicle shall be inspected, the  
20 frequency of inspections of motor vehicles and the approval or  
21 rejection of motor vehicles as a result of these inspections. These  
22 rules and regulations shall require the use of inspection tests that are  
23 designed to meet the enhanced inspection and maintenance  
24 requirements of the federal Clean Air Act and that have been  
25 proven to be feasible and effective for the inspection of large  
26 numbers of motor vehicles, except that these tests shall not include  
27 the "I/M 240" test. Nothing in this subsection shall preclude the use  
28 of the "I/M 240" test in sampling for performance evaluations only  
29 or the use of the test at the option of a private inspection facility.  
30 The rules and regulations may distinguish between vehicles based  
31 on model year, type, or other vehicle characteristics in order to  
32 facilitate inspections or to comply with the federal Clean Air Act.

33 (2) The Department of Environmental Protection and the  
34 commission shall investigate advanced testing technologies,  
35 including but not limited to remote sensing and onboard  
36 diagnostics, and shall, to the extent permitted by law, pursue the use  
37 of such technologies, other than the "I/M 240" test, in motor vehicle  
38 emission inspections required by the United States Environmental  
39 Protection Agency pursuant to the federal Clean Air Act. The  
40 commission shall adopt, to the extent practicable, advanced  
41 technologies to facilitate the retrieval of testing and other  
42 information concerning motor vehicles, which technologies shall  
43 include but not be limited to the use of computer bar codes and  
44 personal cards containing encoded information, such as a person's  
45 operating license, motor vehicle registration, and motor vehicle  
46 insurance, the inspection status of a motor vehicle, and mass transit  
47 fares, that can be accessed quickly by a computer.

1 c. Except as modified by the commission to distribute evenly  
2 the volume of inspections, all motor vehicles required by the  
3 commission, in accordance with the provisions of R.S.39:8-1, to be  
4 inspected under this chapter shall be inspected biennially, except  
5 that:

6 (i) after certification by the commission of the federal approval  
7 by the Environmental Protection Agency of the State waiver  
8 request, model year ~~2004~~ 2006 and newer motor vehicles shall be  
9 inspected no later than ~~four~~ five years from the last day of the  
10 month in which they were initially registered and thereafter  
11 biennially and a decal affixed thereto shall so indicate. Motor  
12 vehicles ~~four~~ five model years old or newer, purchased in a  
13 foreign jurisdiction, and to be registered in this State, ~~shall receive~~  
14 a temporary inspection certificate of approval. Motor vehicles four  
15 model years old or newer, purchased in a foreign jurisdiction,] shall  
16 be subject to inspection not later than ~~four~~ five years from the  
17 last day of the last calendar month of the model year of the vehicle,  
18 and thereafter, inspected biennially and a decal affixed thereto shall  
19 so indicate. Whenever a used motor vehicle ~~four~~ five model  
20 years old or newer is purchased in this or any other state which has  
21 affixed thereto an unexpired decal issued pursuant to this paragraph  
22 or an unexpired New Jersey inspection certificate of approval and is  
23 initially registered by the purchaser in this State, the unexpired  
24 decal or unexpired New Jersey inspection certificate of approval  
25 displayed on the windshield shall be valid for the remaining time  
26 indicated ~~on the inspection certificate of approval~~ thereon. Upon  
27 expiration of the decal or inspection certificate of approval, such  
28 vehicle shall be subject to inspection and inspected biennially  
29 thereafter; and

30 (ii) classes of vehicles that require more frequent inspections,  
31 such as school buses, shall be inspected at such shorter intervals as  
32 may be established by the commission after consultation with the  
33 Department of Environmental Protection. At any time, the  
34 commission may require the owner, lessee, or operator of a motor  
35 vehicle to submit the vehicle for inspection.

36 d. The commission shall furnish to designated inspectors or to  
37 other persons authorized to conduct inspections ~~or to grant~~  
38 ~~waivers~~ official certificates of approval[, ] and rejection stickers  
39 ~~or waiver certificates~~, the form, content and use of which it shall  
40 establish. The certificates of approval[, ] and rejection stickers ~~and~~  
41 ~~waiver certificates~~ shall be of a type, such as a windshield sticker  
42 or license plate decal, that can be attached to the vehicle or license  
43 plate in a location that is readily visible to anyone viewing the  
44 vehicle. If a certificate of approval cannot be issued, the driver  
45 shall be provided with a written inspection report describing the  
46 reasons for rejection and, if appropriate, the repairs needed or likely

1 to be needed to bring the vehicle into compliance with applicable  
2 standards.

3 e. The commission may, with the approval of the State House  
4 Commission, purchase, lease or acquire by the exercise of the  
5 power of eminent domain any property for the purpose of assisting  
6 it in carrying out the provisions of this chapter. This property may  
7 also be used by the commission for the exercise of the duties and  
8 powers conferred upon it by the other chapters of this Title.

9 f. For the purpose of implementing the motor vehicle  
10 inspection requirements of the federal Clean Air Act and subject to  
11 the approval of the Attorney General, the State Treasurer, prior to  
12 January 1, 1997, may:

13 (1) Purchase, lease or acquire by eminent domain any property  
14 for vehicle inspection purposes. Any other provision of law to the  
15 contrary notwithstanding, no further approval shall be required for  
16 transactions authorized by this paragraph, except that a proposed  
17 purchase, lease or acquisition by eminent domain shall require the  
18 approval of the Joint Budget Oversight Committee, and shall be  
19 submitted to the Joint Budget Oversight Committee, which shall  
20 review the proposed purchase, lease or acquisition by eminent  
21 domain within 15 business days; and

22 (2) Sell or lease, or grant an easement in, any property acquired,  
23 held or used for vehicle inspection purposes or any other suitable  
24 property held by the State that is not currently in use or dedicated to  
25 another purpose. For the purpose of this paragraph and  
26 notwithstanding any provision of R.S.52:20-1 et seq. to the  
27 contrary, the sale or lease of, or the granting of an easement in, real  
28 property owned by the State shall be subject to the approval of the  
29 State House Commission, which shall meet at the call of the  
30 Governor to act on a proposed sale or lease or grant of an easement  
31 pursuant to this paragraph. A member of the State House  
32 Commission may permit a representative to act on that member's  
33 behalf in considering and voting on a sale or lease or grant of an  
34 easement pursuant to this paragraph. Any other provision of law to  
35 the contrary notwithstanding, any moneys derived from a sale, lease  
36 or granting of an easement by the State pursuant to this paragraph  
37 shall not be expended unless approved by the Joint Budget  
38 Oversight Committee for the purpose of purchasing, leasing or  
39 acquiring property pursuant to paragraph (1) of this subsection,  
40 except that any moneys derived therefrom and not approved for that  
41 purpose shall be appropriated to the Department of Transportation  
42 to provide for mass transit improvements.

43 g. The commission shall conduct roadside examinations of  
44 motor vehicles required to be inspected, using such inspection  
45 equipment and procedures, and standards established pursuant to  
46 section 1 of P.L.1966, c.16 (C.26:2C-8.1), including, but not limited  
47 to, remote sensing technology, as the commission shall deem  
48 appropriate to provide for the monitoring of motor vehicles

1 pursuant to this subsection. At least 20,000 vehicles or 0.5 percent  
2 of the total number of motor vehicles required to be inspected under  
3 this chapter, whichever is less, shall be inspected during each  
4 inspection cycle by roadside examination teams under the  
5 supervision of the commission. The commission may require any  
6 vehicle failing a roadside examination to be inspected at an official  
7 inspection facility or a private inspection facility within a time  
8 period fixed by the commission. Failure to appear and pass  
9 inspection within the time period fixed by the commission shall  
10 result in registration suspension in addition to any other penalties  
11 provided in this Title. The commission shall conduct an aggressive  
12 roadside inspection program to ensure that all motor vehicles that  
13 are required to be inspected in this State are in compliance with  
14 State law.

15 h. The commission, and, when appropriate, the Department of  
16 Environmental Protection, shall conduct inspections and audits of  
17 licensed private inspection facilities, official inspection facilities  
18 and designated inspectors to ensure accurate test equipment  
19 calibration and use, and compliance with proper inspection  
20 procedures and with the provisions of P.L.1995, c.112 (C.39:8-41 et  
21 al.) and any regulations adopted pursuant thereto by the commission  
22 or by the Department of Environmental Protection. These  
23 inspections and audits shall be conducted at such times and in such  
24 manner as the commission, upon consultation with the Department  
25 of Environmental Protection, shall determine in order to provide  
26 quality assurance in the performance of the inspection and  
27 maintenance program.

28 i. (1) The commission shall make a charge of \$2.50 for the  
29 initial inspection for each vehicle subject to inspection, which  
30 amount shall be paid to the commission or its representative when  
31 payment of the registration fees fixed in chapter 3 of this Title is  
32 made which inspection charge shall be considered a service charge  
33 and shall be subject to the calculation of proportional revenue  
34 remitted to the commission pursuant to section 105 of P.L.2003,  
35 c.13 (C.39:2A-36); provided however, that on and after January 1,  
36 1999, a school bus as defined pursuant to section 3 of P.L.1999, c.5  
37 (C.39:3B-20) and having a registration period commencing on or  
38 after January 1, 1999, shall be subject to an inspection fee for each  
39 in-terminal or in-lieu-of terminal inspection in accordance with the  
40 following schedule:

41 School Bus Specification Inspection	\$50 per bus
42 School Bus Inspection	\$25 per bus
43 School Bus Reinspection	\$25 per bus

44 subject to the conditions set forth below

45 The specification inspection is required when a school bus is put  
46 into service in New Jersey, whether a new bus or a bus from another  
47 state. The specification inspection is conducted to ensure that the  
48 school bus meets New Jersey specification standards. The school



1 bus inspection fees shall be charged to the operator for each in-  
2 terminal or in-lieu-of terminal inspection. School Vehicle Type I  
3 and School Vehicle Type II buses shall be inspected semiannually.  
4 Retired school buses shall be inspected annually. No school bus  
5 inspection fee shall be charged for any reinspection conducted by  
6 the commission if the reinspection is conducted on the same day as  
7 the inspection that necessitated the reinspection. If an additional  
8 trip is required by the commission's inspectors, a fee of \$25 per bus  
9 shall be charged. School bus inspection fees shall be paid to the  
10 commission or the commission's designee subject to the terms and  
11 conditions prescribed by the commission and shall be considered  
12 service charges of the commission and not subject to the calculation  
13 of proportional revenue remitted to the commission pursuant to  
14 section 105 of P.L.2003, c.13 (C.39:2A-36). Any law or rule or  
15 regulation adopted pursuant thereto to the contrary notwithstanding,  
16 a registration fee authorized pursuant to chapter 3 of Title 39 of the  
17 Revised Statutes shall not be increased for the purpose of paying  
18 any costs associated in any manner with the establishment,  
19 implementation or operation of the motor vehicle inspection and  
20 maintenance program established pursuant to P.L.1995, c.112  
21 (C.39:8-41 et al.).

22 (2) The commission shall establish by regulation a fee to cover  
23 the costs of inspecting any vehicle that is required, or has the  
24 option, under federal law to be inspected in this State but is  
25 registered in another state or is owned or leased by the federal  
26 government. In determining these costs, the commission shall  
27 include all capital and direct and indirect operating costs associated  
28 with the inspection of these vehicles including, but not limited to,  
29 the costs of the actual inspection, the creation and maintenance of  
30 the vehicle inspection record, administrative, oversight and quality  
31 assurance costs and the costs associated with reporting inspection  
32 information to the owner, the federal government and agencies of  
33 other states. All fees collected pursuant to this subsection shall be  
34 paid to the State Treasurer and deposited in the "Motor Vehicle  
35 Inspection Fund" established pursuant to subsection j. of this  
36 section.

37 j. There is established in the General Fund a special dedicated,  
38 non-lapsing fund to be known as the "Motor Vehicle Inspection  
39 Fund," which shall be administered by the State Treasurer. The  
40 State Treasurer shall deposit into the "Motor Vehicle Inspection  
41 Fund" \$11.50 from each motor vehicle registration fee received by  
42 the State after June 30, 1995. This fee shall be considered a service  
43 charge of the commission and shall be subject to the calculation of  
44 proportional revenue remitted to the commission pursuant to section  
45 105 of P.L.2003, c.13 (C.39:2A-36). The Legislature shall annually  
46 appropriate from the fund an amount necessary to pay the  
47 reasonable and necessary expenses of the implementation and

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1 operation of the motor vehicle inspection program. The State  
2 Treasurer shall:

3 (1) Pay to a private contractor or contractors contracted to  
4 design, construct, renovate, equip, establish, maintain and operate  
5 official inspection facilities under a contract or contracts entered  
6 into with the State Treasurer pursuant to subsection a. of section 4  
7 of P.L.1995, c.112 (C.39:8-44) from the fund the amount necessary  
8 to meet the costs agreed to under the contract or contracts; and

9 (2) Transfer from the fund to the commission as provided  
10 pursuant to section 105 of P.L.2003, c.13 (C.39:2A-36) and the  
11 Department of Environmental Protection the amounts necessary to  
12 finance the costs of administering and implementing all aspects of  
13 the inspection and maintenance program, and to the Office of  
14 Telecommunications and Information Systems in the Department of  
15 the Treasury the amount necessary for computer support upgrades;

16 Moneys remaining in the fund and any unexpended balance of  
17 appropriations from the fund at the end of each fiscal year shall be  
18 reappropriated for the purposes of the fund. Any interest earned on  
19 moneys in the fund shall be credited to the fund.

20 (cf: P.L.2009, c.331, s.5)

21

22 3. R.S.39:8-3 is amended to read as follows:

23 39:8-3. a. No certificate of approval shall be issued by an  
24 examiner, official inspection facility or private inspection facility  
25 until the motor vehicle inspected successfully passes **[all emission**  
26 **tests]** inspections for emissions and emission-related items such as  
27 emission control equipment and on-board diagnostics required by  
28 the **[director]** chief administrator and the mechanism, brakes and  
29 equipment of the motor vehicle inspected have been found to be in a  
30 proper and safe condition and complying with the laws of this State.

31 b. Notwithstanding subsection a. of this section, passenger  
32 automobiles registered in accordance with R.S.39:3-4 or R.S.39:3-  
33 27 and noncommercial trucks registered in accordance with section  
34 2 of P.L.1968, c.439 (C.39:3-8.1) or R.S.39:3-27 that are only  
35 inspected for emissions and emission-related items such as emission  
36 control equipment and on-board diagnostics pursuant to R.S.39:8-1  
37 and that successfully pass such inspections shall be issued a  
38 certificate of approval.

39 c. Notwithstanding the issuance or non-issuance of a certificate  
40 of approval, the obligation to ensure that a vehicle is in a proper and  
41 safe condition rests with the owner, operator or lessee, as  
42 appropriate, of the vehicle.

43 (cf: P.L.1995, c.112, s.21)

44

45 4. This act shall take effect on July 1, 2010. General  
46 implementation of section 3 of this act is to be completed no later  
47 than the 30th day following enactment.

STATEMENT

1

2

3       This bill amends various statutes relating to motor vehicle  
4 inspection. The bill streamlines inspections of passenger  
5 automobiles and noncommercial truck inspections by limiting  
6 inspections of such vehicles to emissions and emission-related  
7 items such as emission control equipment and on-board diagnostics  
8 and providing for the issuance of certificates of approval to  
9 passenger automobiles and noncommercial trucks that successfully  
10 pass such inspections. The bill also exempts motorcycles from the  
11 motor vehicle inspection requirements currently imposed by law.

12       Further, the bill extends to five years the period of time before a  
13 model year 2006 or later motor vehicle and certain used motor  
14 vehicles will be subject to inspection at an official inspection  
15 facility.

16       The bill also deletes references to “waivers” and “waiver  
17 certificates” because the statutory authority for the issuance of such  
18 waivers was repealed by section 11 of P.L.2009, c. 331.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2090

# STATE OF NEW JERSEY

DATED: JUNE 23, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2090.

The bill amends various statutes relating to motor vehicle inspection. The bill streamlines inspections of passenger automobiles and noncommercial truck inspections by limiting inspections of such vehicles to emissions and emission-related items such as emission control equipment and on-board diagnostics and providing for the issuance of certificates of approval to passenger automobiles and noncommercial trucks that successfully pass such inspections. The bill also exempts motorcycles from the motor vehicle inspection requirements currently imposed by law.

Further, the bill extends to five years the period of time before a model year 2006 or later motor vehicle and certain used motor vehicles will be subject to inspection at an official inspection facility.

The bill also deletes references to “waivers” and “waiver certificates” because the statutory authority for the issuance of such waivers was repealed by section 11 of P.L.2009, c. 331.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) has determined that this bill would reduce costs to the State through a reduction of motor vehicle inspections. According to information provided by the MVC, by extending the inspection cycle of new vehicles for emissions from four to five years a savings to the State of \$5.9 million annually would be achieved. Approximately 2.4 million vehicles that are four year old or older are inspected and re-inspected annually at centralized lanes run by the Parsons Corp. and another 578,000 done by more than 1,100 licensed private facilities. The MVC believes this change is justified since vehicles today are manufactured to be cleaner and more energy efficient with less than six percent between the ages of 2004 and 2009 failing the emissions component of inspections. This bill also proposes to eliminate the mechanical review portion of the inspection process for all passenger vehicles and motorcycles. The MVC estimates annualized savings of \$11.5 million to the State. Currently, 1.9 million initial vehicle inspections are conducted by the MVC. Approximately six percent are rejected due to more serious mechanical defects related to brakes, steering, suspension or tires. Based on this

information, and various studies of the safety impact of mechanical inspections which are inconclusive, the MVC has determined that the mechanical defect inspections conducted in the State do not justify the nearly \$11.5 million expense.

The OLS agrees that the research and studies done to date on the effects of safety on mechanical inspections and the role of defective equipment in causing vehicular crashes are inconclusive. The OLS notes, however, that nationally, vehicle safety inspection programs appear to be a significant factor in lowering fatal crashes, suggesting that the abolishment of mechanical inspections could lead to more unsafe vehicles and traffic accidents on New Jersey roads. It is possible that the resulting increase in expenditures by the public for medical care and to repair collision damage could exceed the \$11.5 million cost savings for the State.

The OLS also notes that if this bill becomes law, the State could incur some costs to terminate or renegotiate the existing motor vehicle inspection contract with Parsons Corp., which conducts the emissions and mechanical inspection since the firm is only two years into a five year contract with the State.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2090**  
**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

DATED: JULY 27, 2010

**SUMMARY**

**Synopsis:** Extends waiver for new car inspections to five years and eliminates safety inspections for certain motor vehicles.

**Type of Impact:** Potential cost savings.

**Agencies Affected:** Motor Vehicle Commission (MVC)

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	(\$17,400,000)	(\$17,400,000)	(\$17,400,000)

- The MVC estimates that annualized cost savings of \$5.9 million would be achieved by extending the inspection cycle of new vehicles from four to five years.
- The MVC estimates that annualized cost savings of \$11.5 million would be achieved by eliminating the mechanical review component of the inspection process for passenger vehicles and motorcycles.
- The State could incur some costs in terminating or renegotiating the existing contract with Parsons to conduct inspections.

**BILL DESCRIPTION**

Senate Bill No. 2090 of 2010 amends various statutes relating to motor vehicle inspection. The bill streamlines inspections of passenger automobiles and noncommercial truck inspections by limiting inspections of such vehicles to emissions and emission-related items such as emission control equipment and on-board diagnostics and providing for the issuance of certificates of approval to passenger automobiles and noncommercial trucks that successfully pass such inspections. The bill also exempts motorcycles from the motor vehicle inspection requirements currently imposed by law.

The bill also extends to five years the period of time before a model year 2006 or later motor vehicle and certain used motor vehicles will be subject to inspection at an official inspection facility.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) has determined that this bill would reduce costs to the State through a reduction of motor vehicle inspections. According to information provided by the MVC, by extending the inspection cycle of new vehicles for emissions from four to five years a savings to the State of \$5.9 million annually would be achieved. Approximately 2.4 million vehicles that are four year old or older are inspected and re-inspected annually at centralized lanes run by the Parsons Corp. and another 578,000 done by more than 1,100 licensed private facilities. The MVC believes this change is justified since vehicles today are manufactured to be cleaner and more energy efficient with less than six percent between the ages of 2004 and 2009 failing the emissions component of inspections. This bill also proposes to eliminate the mechanical review portion of the inspection process for all passenger vehicles and motorcycles. The MVC estimates annualized savings of \$11.5 million to the State. Currently, 1.9 million initial vehicle inspections are conducted by the MVC. Approximately six percent are rejected due to more serious mechanical defects related to brakes, steering, suspension or tires. Based on this information, and various studies of the safety impact of mechanical inspections which are inconclusive, the MVC has determined that the mechanical defect inspections conducted in the State do not justify the nearly \$11.5 million expense.

The OLS agrees that the research and studies done to date on the effects of safety on mechanical inspections and the role of defective equipment in causing vehicular crashes are inconclusive. The OLS notes, however, that nationally, vehicle safety inspection programs appear to be a significant factor in lowering fatal crashes, suggesting that the abolishment of mechanical inspections could lead to more unsafe vehicles and traffic accidents on New Jersey roads. It is possible that the resulting increase in expenditures by the public for medical care and to repair collision damage could exceed the \$11.5 million cost savings for the State.

The OLS also notes that if this bill becomes law, the State could incur some costs to terminate or renegotiate the existing motor vehicle inspection contract with Parsons Corp., which conducts the emissions and mechanical inspection since the firm is only two years into a five year contract with the State.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Joseph A. Hroncich  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 3017

## STATE OF NEW JERSEY

### 214th LEGISLATURE

INTRODUCED JUNE 24, 2010

**Sponsored by:**

**Assemblyman SCOTT RUDDER**

**District 8 (Burlington)**

**Assemblyman JOHN F. AMODEO**

**District 2 (Atlantic)**

**SYNOPSIS**

Extends waiver for new car inspections to five years and eliminates safety inspections for certain motor vehicles.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning motor vehicle inspections and amending  
2 chapter 8 of Title 39 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.39:8-1 is amended to read as follows:

8 39:8-1. a. Every motor vehicle registered in this State which is  
9 used over any public road, street, or highway or any public or quasi-  
10 public property in this State, and every vehicle subject to enhanced  
11 inspection and maintenance programs pursuant to 40 C.F.R.  
12 s.51.356, except motorcycles, historic motor vehicles registered as  
13 such, collector motor vehicles designated as such pursuant to this  
14 subsection, and those vehicles over 8,500 pounds gross weight that  
15 are under the inspection jurisdiction of the commission pursuant to  
16 Titles 27 and 48 **[(as amended by this legislation)]** of the Revised  
17 Statutes, shall be inspected by designated inspectors or at official  
18 inspection facilities to be designated by the commission or at  
19 licensed private inspection facilities. Passenger automobiles  
20 registered in accordance with R.S.39:3-4 or R.S.39:3-27 and  
21 noncommercial trucks registered in accordance with section 2 of  
22 P.L.1968, c.439 (C.39:3-8.1) or R.S.39:3-27 inspected pursuant to  
23 this section shall only be inspected for emissions and emission-  
24 related items such as emission control equipment and on-board  
25 diagnostics. The commission shall adopt rules and regulations  
26 establishing a procedure for the designation of motor vehicles as  
27 collector motor vehicles, which designation shall include  
28 consideration by the commission of one or more of the following  
29 factors: the age of the vehicle, the number of such vehicles  
30 originally manufactured, the number of such vehicles that are  
31 currently in use, the total number of miles the vehicle has been  
32 driven, the number of miles the vehicle has been driven during the  
33 previous year or other period of time determined by the  
34 commission, and whether the vehicle has a collector classification  
35 for insurance purposes.

36 b. The commission shall determine the official inspection  
37 facility or private inspection facility at which a motor vehicle,  
38 depending upon its characteristics, shall be inspected. The  
39 commission, with the concurrence of the Department of  
40 Environmental Protection, may exclude by regulation from this  
41 inspection requirement any category of motor vehicle if good cause  
42 for such exclusion exists, unless the exclusion is likely to prevent  
43 this State from meeting the applicable performance standard  
44 established by the United States Environmental Protection Agency.  
45 The commission may determine that a vehicle is in compliance with

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the inspection requirements of this section if the vehicle has been  
2 inspected and passed under a similar inspection program of another  
3 state, district, or territory of the United States.  
4 (cf: P.L.2009, c.331, s.4)

5  
6 2. R.S.39:8-2 is amended to read as follows:

7 39:8-2. a. The commission may designate and appoint, subject to  
8 existing laws, competent inspectors of motor vehicles to conduct  
9 examinations, other than the periodic inspections required pursuant  
10 to subsection b. of this section, of motor vehicles required to be  
11 inspected in accordance with the provisions of this chapter. The  
12 inspectors may be delegated to enforce the provisions of the motor  
13 vehicle and traffic law.

14 b. (1) The commission shall adopt, pursuant to the  
15 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
16 seq.), rules and regulations consistent with P.L.1966, c.16  
17 (C.26:2C-8.1 et seq.) and with the requirements of the federal Clean  
18 Air Act with respect to the type and character of the inspections to  
19 be made, the facility at which the vehicle shall be inspected, the  
20 frequency of inspections of motor vehicles and the approval or  
21 rejection of motor vehicles as a result of these inspections. These  
22 rules and regulations shall require the use of inspection tests that are  
23 designed to meet the enhanced inspection and maintenance  
24 requirements of the federal Clean Air Act and that have been  
25 proven to be feasible and effective for the inspection of large  
26 numbers of motor vehicles, except that these tests shall not include  
27 the "I/M 240" test. Nothing in this subsection shall preclude the use  
28 of the "I/M 240" test in sampling for performance evaluations only  
29 or the use of the test at the option of a private inspection facility.  
30 The rules and regulations may distinguish between vehicles based  
31 on model year, type, or other vehicle characteristics in order to  
32 facilitate inspections or to comply with the federal Clean Air Act.

33 (2) The Department of Environmental Protection and the  
34 commission shall investigate advanced testing technologies,  
35 including but not limited to remote sensing and onboard  
36 diagnostics, and shall, to the extent permitted by law, pursue the use  
37 of such technologies, other than the "I/M 240" test, in motor vehicle  
38 emission inspections required by the United States Environmental  
39 Protection Agency pursuant to the federal Clean Air Act. The  
40 commission shall adopt, to the extent practicable, advanced  
41 technologies to facilitate the retrieval of testing and other  
42 information concerning motor vehicles, which technologies shall  
43 include but not be limited to the use of computer bar codes and  
44 personal cards containing encoded information, such as a person's  
45 operating license, motor vehicle registration, and motor vehicle  
46 insurance, the inspection status of a motor vehicle, and mass transit  
47 fares, that can be accessed quickly by a computer.

1 c. Except as modified by the commission to distribute evenly  
2 the volume of inspections, all motor vehicles required by the  
3 commission, in accordance with the provisions of R.S.39:8-1, to be  
4 inspected under this chapter shall be inspected biennially, except  
5 that:

6 (i) after certification by the commission of the federal approval  
7 by the Environmental Protection Agency of the State waiver  
8 request, model year ~~2004~~ 2006 and newer motor vehicles shall be  
9 inspected no later than ~~four~~ five years from the last day of the  
10 month in which they were initially registered and thereafter  
11 biennially and a decal affixed thereto shall so indicate. Motor  
12 vehicles ~~four~~ five model years old or newer, purchased in a  
13 foreign jurisdiction, and to be registered in this State, ~~shall receive~~  
14 a temporary inspection certificate of approval. Motor vehicles four  
15 model years old or newer, purchased in a foreign jurisdiction,] shall  
16 be subject to inspection not later than ~~four~~ five years from the  
17 last day of the last calendar month of the model year of the vehicle,  
18 and thereafter, inspected biennially and a decal affixed thereto shall  
19 so indicate. Whenever a used motor vehicle ~~four~~ five model  
20 years old or newer is purchased in this or any other state which has  
21 affixed thereto an unexpired decal issued pursuant to this paragraph  
22 or an unexpired New Jersey inspection certificate of approval and is  
23 initially registered by the purchaser in this State, the unexpired  
24 decal or unexpired New Jersey inspection certificate of approval  
25 displayed on the windshield shall be valid for the remaining time  
26 indicated ~~on the inspection certificate of approval~~ thereon. Upon  
27 expiration of the decal or inspection certificate of approval, such  
28 vehicle shall be subject to inspection and inspected biennially  
29 thereafter; and

30 (ii) classes of vehicles that require more frequent inspections,  
31 such as school buses, shall be inspected at such shorter intervals as  
32 may be established by the commission after consultation with the  
33 Department of Environmental Protection. At any time, the  
34 commission may require the owner, lessee, or operator of a motor  
35 vehicle to submit the vehicle for inspection.

36 d. The commission shall furnish to designated inspectors or to  
37 other persons authorized to conduct inspections ~~or to grant~~  
38 ~~waivers~~ official certificates of approval[, ] and rejection stickers  
39 ~~or waiver certificates~~, the form, content and use of which it shall  
40 establish. The certificates of approval[, ] and rejection stickers ~~and~~  
41 ~~waiver certificates~~ shall be of a type, such as a windshield sticker  
42 or license plate decal, that can be attached to the vehicle or license  
43 plate in a location that is readily visible to anyone viewing the  
44 vehicle. If a certificate of approval cannot be issued, the driver  
45 shall be provided with a written inspection report describing the  
46 reasons for rejection and, if appropriate, the repairs needed or likely

1 to be needed to bring the vehicle into compliance with applicable  
2 standards.

3 e. The commission may, with the approval of the State House  
4 Commission, purchase, lease or acquire by the exercise of the  
5 power of eminent domain any property for the purpose of assisting  
6 it in carrying out the provisions of this chapter. This property may  
7 also be used by the commission for the exercise of the duties and  
8 powers conferred upon it by the other chapters of this Title.

9 f. For the purpose of implementing the motor vehicle  
10 inspection requirements of the federal Clean Air Act and subject to  
11 the approval of the Attorney General, the State Treasurer, prior to  
12 January 1, 1997, may:

13 (1) Purchase, lease or acquire by eminent domain any property  
14 for vehicle inspection purposes. Any other provision of law to the  
15 contrary notwithstanding, no further approval shall be required for  
16 transactions authorized by this paragraph, except that a proposed  
17 purchase, lease or acquisition by eminent domain shall require the  
18 approval of the Joint Budget Oversight Committee, and shall be  
19 submitted to the Joint Budget Oversight Committee, which shall  
20 review the proposed purchase, lease or acquisition by eminent  
21 domain within 15 business days; and

22 (2) Sell or lease, or grant an easement in, any property acquired,  
23 held or used for vehicle inspection purposes or any other suitable  
24 property held by the State that is not currently in use or dedicated to  
25 another purpose. For the purpose of this paragraph and  
26 notwithstanding any provision of R.S.52:20-1 et seq. to the  
27 contrary, the sale or lease of, or the granting of an easement in, real  
28 property owned by the State shall be subject to the approval of the  
29 State House Commission, which shall meet at the call of the  
30 Governor to act on a proposed sale or lease or grant of an easement  
31 pursuant to this paragraph. A member of the State House  
32 Commission may permit a representative to act on that member's  
33 behalf in considering and voting on a sale or lease or grant of an  
34 easement pursuant to this paragraph. Any other provision of law to  
35 the contrary notwithstanding, any moneys derived from a sale, lease  
36 or granting of an easement by the State pursuant to this paragraph  
37 shall not be expended unless approved by the Joint Budget  
38 Oversight Committee for the purpose of purchasing, leasing or  
39 acquiring property pursuant to paragraph (1) of this subsection,  
40 except that any moneys derived therefrom and not approved for that  
41 purpose shall be appropriated to the Department of Transportation  
42 to provide for mass transit improvements.

43 g. The commission shall conduct roadside examinations of  
44 motor vehicles required to be inspected, using such inspection  
45 equipment and procedures, and standards established pursuant to  
46 section 1 of P.L.1966, c.16 (C.26:2C-8.1), including, but not limited  
47 to, remote sensing technology, as the commission shall deem  
48 appropriate to provide for the monitoring of motor vehicles

1 pursuant to this subsection. At least 20,000 vehicles or 0.5 percent  
 2 of the total number of motor vehicles required to be inspected under  
 3 this chapter, whichever is less, shall be inspected during each  
 4 inspection cycle by roadside examination teams under the  
 5 supervision of the commission. The commission may require any  
 6 vehicle failing a roadside examination to be inspected at an official  
 7 inspection facility or a private inspection facility within a time  
 8 period fixed by the commission. Failure to appear and pass  
 9 inspection within the time period fixed by the commission shall  
 10 result in registration suspension in addition to any other penalties  
 11 provided in this Title. The commission shall conduct an aggressive  
 12 roadside inspection program to ensure that all motor vehicles that  
 13 are required to be inspected in this State are in compliance with  
 14 State law.

15 h. The commission, and, when appropriate, the Department of  
 16 Environmental Protection, shall conduct inspections and audits of  
 17 licensed private inspection facilities, official inspection facilities  
 18 and designated inspectors to ensure accurate test equipment  
 19 calibration and use, and compliance with proper inspection  
 20 procedures and with the provisions of P.L.1995, c.112 (C.39:8-41 et  
 21 al.) and any regulations adopted pursuant thereto by the commission  
 22 or by the Department of Environmental Protection. These  
 23 inspections and audits shall be conducted at such times and in such  
 24 manner as the commission, upon consultation with the Department  
 25 of Environmental Protection, shall determine in order to provide  
 26 quality assurance in the performance of the inspection and  
 27 maintenance program.

28 i. (1) The commission shall make a charge of \$2.50 for the  
 29 initial inspection for each vehicle subject to inspection, which  
 30 amount shall be paid to the commission or its representative when  
 31 payment of the registration fees fixed in chapter 3 of this Title is  
 32 made which inspection charge shall be considered a service charge  
 33 and shall be subject to the calculation of proportional revenue  
 34 remitted to the commission pursuant to section 105 of P.L.2003,  
 35 c.13 (C.39:2A-36); provided however, that on and after January 1,  
 36 1999, a school bus as defined pursuant to section 3 of P.L.1999, c.5  
 37 (C.39:3B-20) and having a registration period commencing on or  
 38 after January 1, 1999, shall be subject to an inspection fee for each  
 39 in-terminal or in-lieu-of terminal inspection in accordance with the  
 40 following schedule:

41 School Bus Specification Inspection	\$50 per bus
42 School Bus Inspection	\$25 per bus
43 School Bus Reinspection	\$25 per bus

44 subject to the conditions set forth below

45 The specification inspection is required when a school bus is put  
 46 into service in New Jersey, whether a new bus or a bus from another  
 47 state. The specification inspection is conducted to ensure that the  
 48 school bus meets New Jersey specification standards. The school

1 bus inspection fees shall be charged to the operator for each in-  
2 terminal or in-lieu-of terminal inspection. School Vehicle Type I  
3 and School Vehicle Type II buses shall be inspected semiannually.  
4 Retired school buses shall be inspected annually. No school bus  
5 inspection fee shall be charged for any reinspection conducted by  
6 the commission if the reinspection is conducted on the same day as  
7 the inspection that necessitated the reinspection. If an additional  
8 trip is required by the commission's inspectors, a fee of \$25 per bus  
9 shall be charged. School bus inspection fees shall be paid to the  
10 commission or the commission's designee subject to the terms and  
11 conditions prescribed by the commission and shall be considered  
12 service charges of the commission and not subject to the calculation  
13 of proportional revenue remitted to the commission pursuant to  
14 section 105 of P.L.2003, c.13 (C.39:2A-36). Any law or rule or  
15 regulation adopted pursuant thereto to the contrary notwithstanding,  
16 a registration fee authorized pursuant to chapter 3 of Title 39 of the  
17 Revised Statutes shall not be increased for the purpose of paying  
18 any costs associated in any manner with the establishment,  
19 implementation or operation of the motor vehicle inspection and  
20 maintenance program established pursuant to P.L.1995, c.112  
21 (C.39:8-41 et al.).

22 (2) The commission shall establish by regulation a fee to cover  
23 the costs of inspecting any vehicle that is required, or has the  
24 option, under federal law to be inspected in this State but is  
25 registered in another state or is owned or leased by the federal  
26 government. In determining these costs, the commission shall  
27 include all capital and direct and indirect operating costs associated  
28 with the inspection of these vehicles including, but not limited to,  
29 the costs of the actual inspection, the creation and maintenance of  
30 the vehicle inspection record, administrative, oversight and quality  
31 assurance costs and the costs associated with reporting inspection  
32 information to the owner, the federal government and agencies of  
33 other states. All fees collected pursuant to this subsection shall be  
34 paid to the State Treasurer and deposited in the "Motor Vehicle  
35 Inspection Fund" established pursuant to subsection j. of this  
36 section.

37 j. There is established in the General Fund a special dedicated,  
38 non-lapsing fund to be known as the "Motor Vehicle Inspection  
39 Fund," which shall be administered by the State Treasurer. The  
40 State Treasurer shall deposit into the "Motor Vehicle Inspection  
41 Fund" \$11.50 from each motor vehicle registration fee received by  
42 the State after June 30, 1995. This fee shall be considered a service  
43 charge of the commission and shall be subject to the calculation of  
44 proportional revenue remitted to the commission pursuant to section  
45 105 of P.L.2003, c.13 (C.39:2A-36). The Legislature shall annually  
46 appropriate from the fund an amount necessary to pay the  
47 reasonable and necessary expenses of the implementation and

1 operation of the motor vehicle inspection program. The State  
2 Treasurer shall:

3 (1) Pay to a private contractor or contractors contracted to  
4 design, construct, renovate, equip, establish, maintain and operate  
5 official inspection facilities under a contract or contracts entered  
6 into with the State Treasurer pursuant to subsection a. of section 4  
7 of P.L.1995, c.112 (C.39:8-44) from the fund the amount necessary  
8 to meet the costs agreed to under the contract or contracts; and

9 (2) Transfer from the fund to the commission as provided  
10 pursuant to section 105 of P.L.2003, c.13 (C.39:2A-36) and the  
11 Department of Environmental Protection the amounts necessary to  
12 finance the costs of administering and implementing all aspects of  
13 the inspection and maintenance program, and to the Office of  
14 Telecommunications and Information Systems in the Department of  
15 the Treasury the amount necessary for computer support upgrades;

16 Moneys remaining in the fund and any unexpended balance of  
17 appropriations from the fund at the end of each fiscal year shall be  
18 reappropriated for the purposes of the fund. Any interest earned on  
19 moneys in the fund shall be credited to the fund.

20 (cf: P.L.2009, c.331, s.5)

21

22 3. R.S.39:8-3 is amended to read as follows:

23 39:8-3. a. No certificate of approval shall be issued by an  
24 examiner, official inspection facility or private inspection facility  
25 until the motor vehicle inspected successfully passes **all emission**  
26 **tests** inspections for emissions and emission-related items such as  
27 emission control equipment and on-board diagnostics required by  
28 the **director** chief administrator and the mechanism, brakes and  
29 equipment of the motor vehicle inspected have been found to be in a  
30 proper and safe condition and complying with the laws of this State.

31 b. Notwithstanding subsection a. of this section, passenger  
32 automobiles registered in accordance with R.S.39:3-4 or R.S.39:3-  
33 27 and noncommercial trucks registered in accordance with section  
34 2 of P.L.1968, c.439 (C.39:3-8.1) or R.S.39:3-27 that are only  
35 inspected for emissions and emission-related items such as emission  
36 control equipment and on-board diagnostics pursuant to R.S.39:8-1  
37 and that successfully pass such inspections shall be issued a  
38 certificate of approval.

39 c. Notwithstanding the issuance or non-issuance of a certificate  
40 of approval, the obligation to ensure that a vehicle is in a proper and  
41 safe condition rests with the owner, operator or lessee, as  
42 appropriate, of the vehicle.

43 (cf: P.L.1995, c.112, s.21)

44

45 4. This act shall take effect on July 1, 2010. General  
46 implementation of section 3 of this act is to be completed no later  
47 than the 30th day following enactment.

STATEMENT

1

2

3       This bill amends various statutes relating to motor vehicle  
4 inspection. The bill streamlines inspections of passenger  
5 automobiles and noncommercial truck inspections by limiting  
6 inspections of such vehicles to emissions and emission-related  
7 items such as emission control equipment and on-board diagnostics  
8 and providing for the issuance of certificates of approval to  
9 passenger automobiles and noncommercial trucks that successfully  
10 pass such inspections. The bill also exempts motorcycles from the  
11 motor vehicle inspection requirements currently imposed by law.

12       Further, the bill extends to five years the period of time before a  
13 model year 2006 or later motor vehicle and certain used motor  
14 vehicles will be subject to inspection at an official inspection  
15 facility.

16       The bill also deletes references to “waivers” and “waiver  
17 certificates” because the statutory authority for the issuance of such  
18 waivers was repealed by section 11 of P.L.2009, c. 331.



# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3017

# STATE OF NEW JERSEY

DATED: JUNE 24, 2010

The Assembly Budget Committee reports favorably Assembly Bill No. 3017.

The bill amends various statutes relating to motor vehicle inspection. The bill streamlines inspections of passenger automobiles and noncommercial truck inspections by limiting inspections of such vehicles to emissions and emission-related items such as emission control equipment and on-board diagnostics and providing for the issuance of certificates of approval to passenger automobiles and noncommercial trucks that successfully pass such inspections. The bill also exempts motorcycles from the motor vehicle inspection requirements currently imposed by law.

Further, the bill extends to five years the period of time before a model year 2006 or later motor vehicle and certain used motor vehicles will be subject to inspection at an official inspection facility.

The bill also deletes references to “waivers” and “waiver certificates” because the statutory authority for the issuance of such waivers was repealed by section 11 of P.L.2009, c. 331.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) has determined that this bill would reduce costs to the State through a reduction of motor vehicle inspections. According to information provided by the MVC, by extending the inspection cycle of new vehicles for emissions from four to five years a savings to the State of \$5.9 million annually would be achieved. This bill also proposes to eliminate the mechanical review portion of the inspection process for all passenger vehicles and motorcycles. The MVC estimates annualized savings of \$11.5 million to the State. The total estimated savings would be \$17.4 million annually.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 3017**  
**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

DATED: JULY 23, 2010

**SUMMARY**

**Synopsis:** Extends waiver for new car inspections to five years and eliminates safety inspections for certain motor vehicles.

**Type of Impact:** Potential cost savings.

**Agencies Affected:** Motor Vehicle Commission (MVC)

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	(\$17,400,000)	(\$17,400,000)	(\$17,400,000)

- The MVC estimates that annualized cost savings of \$5.9 million would be achieved by extending the inspection cycle of new vehicles from four to five years.
- The MVC estimates that annualized cost savings of \$11.5 million would be achieved by eliminating the mechanical review component of the inspection process for passenger vehicles and motorcycles.
- The State could incur some costs in terminating or renegotiating the existing contract with Parsons to conduct inspections.

**BILL DESCRIPTION**

Assembly Bill No. 3017 of 2010 amends various statutes relating to motor vehicle inspection. The bill streamlines inspections of passenger automobiles and noncommercial truck inspections by limiting inspections of such vehicles to emissions and emission-related items such as emission control equipment and on-board diagnostics and providing for the issuance of certificates of approval to passenger automobiles and noncommercial trucks that successfully pass such inspections. The bill also exempts motorcycles from the motor vehicle inspection requirements currently imposed by law.

The bill also extends to five years the period of time before a model year 2006 or later motor vehicle and certain used motor vehicles will be subject to inspection at an official inspection facility.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) has determined that this bill would reduce costs to the State through a reduction of motor vehicle inspections. According to information provided by the MVC, by extending the inspection cycle of new vehicles for emissions from four to five years a savings to the State of \$5.9 million annually would be achieved. Approximately 2.4 million vehicles that are four year old or older are inspected and re-inspected annually at centralized lanes run by the Parsons Corp. and another 578,000 done by more than 1,100 licensed private facilities. The MVC believes this change is justified since vehicles today are manufactured to be cleaner and more energy efficient with less than six percent between the ages of 2004 and 2009 failing the emissions component of inspections. This bill also proposes to eliminate the mechanical review portion of the inspection process for all passenger vehicles and motorcycles. The MVC estimates annualized savings of \$11.5 million to the State. Currently, 1.9 million initial vehicle inspections are conducted by the MVC. Approximately six percent are rejected due to more serious mechanical defects related to brakes, steering, suspension or tires. Based on this information, and various studies of the safety impact of mechanical inspections which are inconclusive, the MVC has determined that the mechanical defect inspections conducted in the State do not justify the nearly \$11.5 million expense.

The OLS agrees that the research and studies done to date on the effects of safety on mechanical inspections and the role of defective equipment in causing vehicular crashes are inconclusive. The OLS notes, however, that nationally, vehicle safety inspection programs appear to be a significant factor in lowering fatal crashes, suggesting that the abolishment of mechanical inspections could lead to more unsafe vehicles and traffic accidents on New Jersey roads. It is possible that the resulting increase in expenditures by the public for medical care and to repair collision damage could exceed the \$11.5 million cost savings for the State.

The OLS also notes that if this bill becomes law, the State could incur some costs to terminate or renegotiate the existing motor vehicle inspection contract with Parsons Corp., which conducts the emissions and mechanical inspection since the firm is only two years into a five year contract with the State.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Joseph A. Hroncich  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).