

HB 387-FN-A - AS INTRODUCED

2015 SESSION

15-0131
03/01

HOUSE BILL **387-FN**

AN ACT relative to motor vehicle inspections.

SPONSORS: Rep. Spillane, Rock 2; Rep. Duarte, Rock 2; Rep. Tasker, Rock 2; Rep. Baldasaro, Rock 5; Rep. Tamburello, Rock 5; Rep. Murphy, Hills 7; Rep. Webb, Rock 6; Rep. Moore, Hills 21; Rep. Schleien, Hills 37; Rep. C. McGuire, Merr 29

COMMITTEE: Transportation

ANALYSIS

This bill changes the annual motor vehicle inspection requirement to a biennial requirement. This bill also raises the fee for inspection stickers from \$3.25 to \$6.50.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT relative to motor vehicle inspections.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Vehicle Inspection; Frequency. Amend RSA 266:1, II to read as follows:

2 II. Any vehicle registered under this title, except an OHRV, snowmobile, moped, or other
3 exempt vehicle, shall be inspected once [~~a~~] **every second** year, during the month in which the birth
4 date of the owner is observed, if the owner is a natural person. [~~An inspection sticker shall be valid
5 for the same duration as the vehicle's registration, which shall not exceed 16 months. If the month
6 in which the anniversary of the owner's birth occurs will be one of the next 4 months, an inspection
7 sticker may be issued, with an expiration date of the birth month in the following year, of the first
8 person named on the title application.~~] Nothing in this paragraph shall require any person who has
9 registered and had inspected a vehicle with temporary plates to have the vehicle reinspected upon
10 receipt of permanent motor vehicle plates. An inspection sticker shall not expire when a vehicle is
11 transferred to a licensed dealer.

12 2 Motor Vehicle Inspections; Dates. Amend RSA 266:1, III to read as follows:

13 III. If the owner of the vehicle is a company or corporation or other than a natural person,
14 the [~~annual~~] **biennial** inspection shall be made during the month designated by the director as the
15 registration month for such legal entity. [~~Vehicles registered as antique motor vehicles and antique
16 motorcycles and which are 40 years old and over shall be inspected biennially.~~] Antique motor
17 vehicles and custom vehicles shall be inspected in the month of April. Without regard to the owner's
18 birth date or registration month, motorcycles and recreational vehicles shall be inspected [~~annually~~]
19 by July 1 **of every second year**.

20 3 Motor Vehicle Inspections; Fees. Amend RSA 266:2 to read as follows:

21 266:2 Fees. The fee for inspection stickers shall be [~~\$3.25~~] **\$6.50** for each sticker furnished an
22 approved inspection station. The division shall transfer [~~\$-.25~~] **\$.50** of each fee collected under this
23 section to the motor vehicle air pollution abatement fund established by RSA 125-S:3 and [~~\$.25~~] **\$.50**
24 of each fee collected under this section to the general fund. All unused stickers returned by the
25 approved inspection station to the division shall be refundable at the rate of [~~\$3.25~~] **\$6.50** each,
26 except that unused stickers purchased from the division for a fee of \$2.50 shall be refundable at the
27 rate of \$2.50 each **and unused stickers purchased from the division for a fee of \$3.25 shall be**
28 **refundable at the rate of \$3.25 each**.

29 4 Effective Date. This act shall take effect January 1, 2016.

LBAO
15-0131
01/15/15

HB 387-FN - FISCAL NOTE

AN ACT relative to motor vehicle inspections.

FISCAL IMPACT:

The Department of Safety states this bill, as introduced, will increase state revenue by \$2,034,500 in FY 2016, and by an indeterminable amount in FY 2017 and each fiscal year thereafter. This bill will increase state highway fund expenditures by \$13,125 in FY 2016, and increase state highway fund expenditures and local revenue by \$206,580 in FY 2017, and by an indeterminable amount in FY 2018 and each year thereafter. There will be no impact on county and local expenditures, or county revenue.

METHODOLOGY:

The Department of Safety states the proposed legislation changes the cycle of motor vehicle inspection requirements from annual to biennial, and raises the fee charged for inspection stickers proportionally from \$3.25 to \$6.50. The Department notes the proposed legislation does not proportionally impact the distribution of revenues derived from the sale of inspection stickers by increasing from \$0.25 to \$0.50 the amount of every inspection sticker fee directed to each the motor vehicle air pollution fund and to the state general fund. The remainder of the fee is retained in the state highway fund. The Department states the proposed legislation would not impact overall state and local revenues, or state expenditures in the aggregate, however, would initially impact the timing of those revenues and associated expenditures. Whereas current motor vehicle inspections expire annually, the proposed legislation would not impact the number of motor vehicle inspections required in the year of passage. However, the proportional increase in the price of the inspection sticker would double anticipated revenue in the year of passage. Based on the effective date of January 1, 2016 and estimated 2016 annual inspection sticker sales of 1,252,000 stickers, the Department estimates the passage of this bill would increase state revenue by \$2,034,500 for 6 months in FY 2016 ($1/2 \times 1,252,000 \times \3.25) of which \$156,500 would be directed to the motor vehicle air pollution fund, \$156,500 would be directed to the state general fund, and \$1,721,500 would be directed to the state highway fund. The Department is unable to determine the proposed legislation's impact on state revenues in FY 2017 and each fiscal year thereafter noting any increase to revenues experienced in the second half of 2016 would be offset by an indeterminable decrease in revenues during the first half of 2017. The Department notes this pattern of increased cash flows during even numbered

calendar years, and decreased cash flows during odd numbered calendar years would eventually level out as new vehicles are purchased and existing vehicles replaced over time.

The Department states initial costs associated with program changes would increase state highway fund expenditures by \$13,125 in FY 2016. Additionally, the Department states the proposed legislation would have a proportional impact on state highway fund expenditures and local revenues associated with local highway block grant aid, increasing the amount by \$206,580 ($\$1,721,500 \times 12\%$) in FY 2017 and having an indeterminable impact in FY 2018 and each fiscal year thereafter.