

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 754
HOUSE BILL 1843

AN ACT TO CONFORM THE VEHICLE EMISSIONS INSPECTION PROGRAM
TO THE REQUIREMENTS OF FEDERAL LAW AND TO MAKE TECHNICAL
CHANGES IN THE VEHICLE INSPECTION LAWS.

The General Assembly of North Carolina enacts:

Section 1. Part 2 of Article 3A of Chapter 20 of the General Statutes reads as rewritten:

~~"Part 2. Equipment Inspection of Motor Vehicles.
Safety and Emissions Inspections of Certain Vehicles.~~

~~"§ 20-183.2. **Equipment inspection required; inspection certificate; one station.**
Description of vehicles subject to safety or emissions inspection;
definitions.~~

~~(a) Safety. – A motor vehicle is subject to a safety inspection in accordance with this Part if it meets all of the following requirements:~~

- ~~(1) It is subject to registration with the Division under Article 3 of this Chapter.~~
- ~~(2) It is not subject to inspection under 49 C.F.R. Part 396, the federal Motor Carrier Safety Regulations.~~
- ~~(3) It is not a trailer whose gross weight is less than 4,000 pounds or a house trailer.~~

~~(b) Emissions. – A motor vehicle is subject to an emissions inspection in accordance with this Part if it meets all of the following requirements:~~

- ~~(1) It is subject to registration with the Division under Article 3 of this Chapter.~~
- ~~(2) It is not a trailer whose gross weight is less than 4,000 pounds, a house trailer, or a motorcycle.~~
- ~~(3) It is a 1975 or later model.~~
- ~~(4) It is powered or designed so that it could be powered by gasoline.~~
- ~~(5) It meets any of the following descriptions:
 - ~~a. It is required to be registered in an emissions county.~~
 - ~~b. It is part of a fleet that is operated primarily in an emissions county.~~
 - ~~c. It is offered for rent in an emissions county.~~
 - ~~d. It is offered for sale by a dealer in an emissions county.~~
 - ~~e. It is operated on a federal installation located in an emissions county and it is not a tactical military vehicle. Vehicles~~~~

operated on a federal installation include those that are owned or leased by employees of the installation and are used to commute to the installation and those owned or operated by the federal agency that conducts business at the installation.

f. It is otherwise required by 40 C.F.R. Part 51 to be subject to an emissions inspection.

(c) Definitions. – The following definitions apply in this Part:

(1) Emissions county. – A county in which the State either is required by federal law to conduct emissions testing or has agreed in its State Implementation Plan submitted to the federal Environmental Protection Agency to conduct emissions testing. The State Environmental Management Commission establishes the emissions counties pursuant to rules adopted under G.S. 143-215.107(a)(6).

(2) Federal installation. – An installation that is owned by, leased to, or otherwise regularly used as the place of business of a federal agency.

~~(a) Every motor vehicle, trailer, semitrailer, and pole trailer not including trailers of a gross weight of less than 4,000 pounds and house trailers, registered or required to be registered in North Carolina when operated on the streets and highways of this State must display a current approved State or federal inspection certificate as required by the Federal Motor Carrier Safety Regulations at such place on the vehicle as may be designated by the Commissioner, indicating that it has been inspected in accordance with this Part. Gasoline powered vehicles over 26,001 pounds shall be subject to emission control device and exhaust emission testing required under G.S. 20-128.2. Such motor vehicle shall thereafter be inspected and display a current inspection certificate as is required by subsection (b) hereof.~~

~~(b) Every inspection certificate issued under this Part shall be valid for not less than 12 months and shall expire at midnight on the last day of the month designated on said inspection certificate. It shall be unlawful to operate any motor vehicle on the highway until there is displayed thereon a current inspection certificate as provided by this Part, indicating that the vehicle has been inspected within the previous 12 months and has been found to comply with the standard for safety equipment prescribed by this Chapter subject to the following provisions:~~

~~(1) Vehicles of a type required to be inspected under subsection (a), which are owned by a resident of this State, that have been outside of North Carolina continuously for a period of 30 days, or more, immediately preceding the expiration of the then current inspection certificate shall within 10 days of reentry to the State be inspected and have an approved certificate attached thereto if vehicle is to continue operation on the streets and highways.~~

~~(2) Any vehicle owned or possessed by a dealer, manufacturer or transporter within this State and operated over the public streets and highways displaying thereon a dealer demonstration, manufacturer or transporter plate must have affixed to the windshield thereof a valid certificate of inspection and approval, except a dealer, manufacturer or~~

~~transporter or his agent may operate a motor vehicle displaying dealer demonstration, manufacturer or transporter plates from source of purchase to his place of business or to an inspection station, provided it is within 10 days of purchase, foreclosure or repossession. Provided further, that a new car dealer may operate a new motor vehicle prior to first sale for customer demonstration purposes only without affixing thereto an inspection certificate as required by this section if such dealer causes an inspection of the equipment enumerated in G.S. 20-183.3 to be made and affixes on the window of the vehicle adjacent to the manufacturer's price list a certificate as near as practical in form and content as follows:~~

~~Dealer.....~~

~~Dealer license number.....~~

~~Vehicle make..... Year model.....~~

~~Vehicle identification number.....~~

| Equipment Item | Check square when inspected and approved |
|--------------------------------|---|
| Brakes | <input type="checkbox"/> |
| Lights | <input type="checkbox"/> |
| Horn | <input type="checkbox"/> |
| Steering Mechanism | <input type="checkbox"/> |
| Windshield Wiper | <input type="checkbox"/> |
| Directional Signals | <input type="checkbox"/> |
| Tires | <input type="checkbox"/> |
| Rear View Mirror | <input type="checkbox"/> |
| Exhaust System | <input type="checkbox"/> |

~~I certify that the above items of equipment have been inspected and found to be in good working order.~~

~~.....~~
 Dealer or Agent

- ~~(3) Vehicles acquired by residents of this State from dealers or owners located outside of the State must, upon entry to this State, be inspected and approved, certificate attached, within 10 days after the vehicle becomes subject to registration.~~
- ~~(4) Vehicles acquired by residents within this State, not displaying current North Carolina inspection certificates, must be inspected and have approved inspection certificate attached within 10 days from date registration plate issued or if registration plate is to be transferred, within 10 days of the date of purchase.~~
- ~~(5) Owners of motor vehicles moving their residence to North Carolina from other states must within 10 days from the date the vehicles are subject to registration have same inspected and have an approved certificate attached thereto.~~

- ~~(6) The Commissioner of Motor Vehicles or his duly authorized agent is empowered to grant special written one-way permits to operate motor vehicles without current inspection certificates solely for the purpose of moving such vehicles to an authorized inspection station to obtain the inspection required under this Part.~~
- ~~(7) Vehicles which are base plated in North Carolina under the International Registration Plan but which are stationed in another jurisdiction shall be permitted to operate in North Carolina on their initial trip into North Carolina without displaying a valid inspection certificate.~~

~~(e) On and after February 16, 1966, all motor vehicle dealers in North Carolina shall, prior to retail sale of any new or used motor vehicle, have such motor vehicle inspected by an approved inspection station as required by this Part. Provided, however, a purchaser of a motor vehicle, who is licensed as a self-inspector, may conduct the required inspection, after entering into a written agreement with the dealer to follow such a procedure. A copy of such dealer-purchaser agreement must be filed with the Division of Motor Vehicles. Provided further, that any new and unregistered vehicle sold to a nonresident (as defined in G.S. 20-6) shall be exempt from the requirements of this section if such vehicle is not required to be registered in this State. Provided further, that motor vehicles sold by public auction dealers meet the inspection requirements of this subsection if they have a current North Carolina inspection sticker less than 90 days old displayed at the time of sale.~~

~~(d) When a motor vehicle required to be inspected under this Part shall, upon inspection, fail to meet the safety requirements of this Part, the safety equipment inspection station making such inspection, shall issue an authorized receipt for such vehicle indicating that it has been inspected and shall enumerate the defects found. The owner or operator may have such defects corrected at such place as he or she chooses. The vehicle may be reinspected at the safety equipment inspection station, first making the inspection, without additional charge, or the owner or operator may have same inspected at another safety equipment station upon payment of a new inspection fee.~~

~~(e) On and after January 1, 1974, each motor vehicle safety inspection certificate shall contain, on the portion readable from the vehicle interior, the following information:~~

- ~~(1) The date of the current inspection;~~
- ~~(2) The odometer reading at the time of the current inspection;~~
- ~~(3) The signature, initials or other identification of the person making the inspection and affixing the certificate to the windshield.~~

~~"§ 20-183.3. **Inspection requirements. Scope of safety inspection and emissions inspection.**~~

~~(a) Safety. Before an approval certificate may be issued for a motor vehicle, the vehicle must be inspected by a safety equipment inspection station, and if required by Chapter 20 of the General Statutes of North Carolina, must be found to possess in safe operating condition the following articles and equipment: A safety inspection of a motor vehicle consists of an inspection of the following equipment to determine if the vehicle~~

has the equipment required by Part 9 of Article 3 of this Chapter and if the equipment is in a safe operating condition:

- (1) Brakes, as required by G.S. 20-124.
- (2) Lights, as required by G.S. 20-129 or G.S. 20-129.1.
- (3) Horn, as required by G.S. 20-125(a).
- (4) Steering mechanism, as required by G.S. 20-123.1.
- (5) Windshield wiper, Windows and windshield wipers, as required by G.S. 20-127.
- (6) Directional signals, as required by G.S. 20-125.1.
- (7) Tires, as required by G.S. 20-122.1.
- (8) Rearview mirror or mirrors, Mirrors, as required by G.S. 20-126.
- (9) Exhaust system, system, as required by G.S. 20-128. For a vehicle that is subject to an emissions inspection in addition to a safety inspection, a visual inspection of the vehicle's emission-control devices is included in the emissions inspection rather than the safety inspection.

~~No inspection certificate shall be issued by a safety equipment inspection station for a motor vehicle manufactured after model year 1967 unless the vehicle is equipped with such emission control devices to reduce air pollution as were installed at the time of manufacture which are readily visible, provided the foregoing requirements shall not apply where such devices have been removed for the purpose of converting the motor vehicle to operate on natural or liquified petroleum gas. Other modifications of emission control devices shall be approved by the Environmental Management Commission before an inspection certification is issued.~~

~~The inspection requirements herein provided for shall not exceed the standards provided in the current General Statutes for such equipment.~~

~~(b) Emissions. – When required pursuant to G.S. 20-128.2, and as a condition for approval certificate issuance under subsection (a) of this section, emission control devices and exhaust emissions shall be inspected and shall comply with those standards established pursuant to G.S. 20-128.2 on 1975 and later model gasoline powered vehicles excluding the current year model and, to this end, the Commissioner of Motor Vehicles is authorized to adopt and enforce such rules and regulations as may be necessary to carry out the intent and purpose of this section. Provided that motoreycles as defined in G.S. 20-4.01(22) and G.S. 20-4.01(27)d shall not be subject to the requirements of this subsection. An emissions inspection of a motor vehicle consists of a visual inspection of the vehicle's emission control devices to determine if the devices are present, are properly connected, and are the correct type for the vehicle and 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. To pass an emissions inspection a vehicle must pass both the visual inspection and the exhaust emissions analysis. When an emissions inspection is performed on a vehicle, a safety inspection must be performed on the vehicle as well.~~

~~(c) Reinspection After Failure. – The scope of a reinspection of a vehicle that has been repaired after failing an inspection is the same as the original inspection unless the vehicle is presented for reinspection within 30 days of failing the original inspection. If~~

the vehicle is presented for reinspection within this time limit and the inspection the vehicle failed was a safety inspection, the reinspection is limited to an inspection of the equipment that failed the original inspection. If the vehicle is presented for reinspection within this time limit and the inspection the vehicle failed was an emissions inspection, the reinspection is limited to the portion of the inspection the vehicle failed and any other portion of the inspection that would be affected by repairs made to correct the failure.

"§ 20-183.4. Licensing of safety equipment inspection stations. License required to perform safety inspection; qualifications for license.

(a) License Required. – A safety inspection must be performed by one of the following methods:

- (1) At a station that has a safety inspection station license issued by the Division and by a mechanic who is employed by the station and has a safety inspection mechanic license issued by the Division.
- (2) At a place of business of a person who has a safety self-inspector license issued by the Division and by an individual who has a safety inspection mechanic license issued by the Division.

(b) Station Qualifications. – An applicant for a license as a safety inspection station must meet all of the following requirements:

- (1) Have a place of business that has adequate facilities, space, and equipment to conduct a safety inspection.
- (2) Regularly employ at least one mechanic who has a safety inspection mechanic license.

(c) Mechanic Qualifications. – An applicant for a license as a safety inspection mechanic must meet all of the following requirements:

- (1) Have successfully completed an eight-hour course approved by the Division that teaches students about the safety equipment a motor vehicle is required to have to pass a safety inspection and how to conduct a safety inspection.
- (2) Have a drivers license.
- (3) Be of good character and have a reputation for honesty.

(d) Self-Inspector Qualifications. – An applicant for a license as a safety self-inspector must meet all of the following requirements:

- (1) Operate a fleet of at least 10 vehicles that are subject to a safety inspection.
- (2) Regularly employ or contract with an individual who has a safety inspection mechanic license and who will perform a safety inspection on the vehicles that are part of the self-inspector's fleet.

~~Every person, firm or agency with employees meeting the following qualifications shall, upon application, be issued a license designating the person, firm or agency as a safety equipment inspection station:~~

- ~~(1) Be of good character and have a good reputation for honesty.~~
- ~~(2) Have adequate knowledge of the equipment requirements of the motor vehicle laws of North Carolina.~~

- ~~(3) Be able to satisfactorily conduct the mechanical inspection required by this Part.~~
- ~~(4) Have adequate facilities as to space and equipment in order to check each of the items of safety equipment listed herein.~~
- ~~(5) Have a general knowledge of motor vehicles sufficient to recognize a mechanical condition which is not safe.~~

~~Any person, firm or agency meeting the above requirements and desiring to be licensed as a motor vehicle inspection station may apply to the Commissioner of Motor Vehicles on forms provided by the Commissioner. The Commissioner shall cause an investigation to be made as to the applicant's qualifications, and if, in the opinion of the Commissioner, the applicant fulfills such qualifications, he shall issue a certificate of appointment to such person, firm or agency as a safety equipment inspection station. Such appointment shall be issued without charge and shall be effective until canceled by request of licensee or until revoked or suspended by the Commissioner. Any licensee whose license has been revoked or suspended or any applicant whose application has been refused may, within 10 days from the notice of such revocation, suspension or refusal, request a hearing before the Commissioner and, in such cases, the hearing shall be conducted within 10 days of receipt of request for such hearing. The Commissioner, following such hearing, may rescind the order of suspension, revocation or the refusal to issue license, or he may affirm the previous order of revocation, suspension or refusal. Any applicant or licensee aggrieved by the decision of the Commissioner may, following such decision, file a petition in the Superior Court of Wake County or in the county wherein applicant or licensee resides. Such petition shall recite the fact that the administrative remedy, as provided above, has been exhausted. Provided, that no restraining order shall issue against the Division of Motor Vehicles under this section until and unless the Division shall have had at least five days' notice of the petitioner's intention to seek such restraining order.~~

~~The Commissioner may designate the State or any political subdivision thereof or any person, firm or corporation as self inspectors for the sole purpose of inspecting vehicles owned or operated by such agencies, persons, firms, or corporations so designated.~~

"§ 20-183.4A. License required to perform emissions inspection; qualifications for license.

(a) License Required. – An emissions inspection must be performed by one of the following methods:

- (1) At a station that has an emissions inspection station license issued by the Division and by a mechanic who is employed by the station and has an emissions inspection mechanic license issued by the Division.
- (2) At a place of business of a person who has an emissions self-inspector license issued by the Division and by an individual who has an emissions inspection mechanic license.

(b) Station Qualifications. – An applicant for a license as an emissions inspection station must meet all of the following requirements:

- (1) Have a license as a safety inspection station.

- (2) Have an emissions analyzer approved by the Environmental Management Commission.
- (3) Have equipment to transfer information on emissions inspections to the Division by electronic means.
- (4) Regularly employ at least one mechanic who has an emissions inspection mechanic license.

(c) Mechanic Qualifications. – An applicant for a license as an emissions inspection mechanic must meet all of the following requirements:

- (1) Have a license as a safety inspection mechanic.
- (2) Have successfully completed an eight-hour course approved by the Division that teaches students about the causes and effects of the air pollution problem, the purpose of the emissions inspection program, the vehicle emission standards established by the federal Environmental Protection Agency, the emission control devices on vehicles, how to conduct an emissions inspection using an emissions analyzer approved by the Environmental Management Commission, and any other topic required by 40 C.F.R. § 51.367 to be included in the course. Successful completion requires a passing score on a written test and on a hands-on test in which the student is required to conduct an emissions inspection of a motor vehicle.

(d) Self-Inspector Qualifications. – An applicant for a license as an emissions self-inspector must meet all of the following requirements:

- (1) Have a license as a safety self-inspector.
- (2) Operate a fleet of at least 10 vehicles that are subject to an emissions inspection.
- (3) Have, or have a contract with a person who has, an emissions analyzer approved by the Environmental Management Commission.
- (4) Regularly employ or contract with an individual who has an emissions inspection mechanic license and who will perform an emissions inspection on the vehicles that are part of the self-inspector's fleet.

§ 20-183.4B. Application for license; duration of license; renewal of mechanic license.

(a) Application. – An applicant for a license issued under this Part must complete an application form provided by the Division. The application must contain the applicant's name and address and any other information needed by the Division to determine whether the applicant is qualified for the license. The Division must review an application for a license to determine if the applicant qualifies for the license. If the applicant meets the qualifications, the Division must issue the license. If the applicant does not meet the qualifications, the Division must deny the application and notify the applicant in writing of the reason for the denial.

(b) Duration of License. – A safety inspection mechanic license expires four years after the date it is issued. An emissions mechanic inspection license expires two years after the date it is issued. A safety inspection station license, an emissions

inspection station license, and a self-inspector license are effective until surrendered by the license holder or suspended or revoked by the Division.

(c) **Renewal of Mechanic License.** – A safety or an emissions inspection mechanic may apply to renew a license by filing an application with the Division on a form provided by the Division. To renew an emissions inspection mechanic license, an applicant must have successfully completed a four-hour emissions refresher course approved by the Division within nine months of applying for renewal. Successful completion requires a passing score on a written test and on a hands-on test in which the student is required to conduct an emissions inspection of a motor vehicle.

"§ 20-183.4C. When a vehicle must be inspected.

A vehicle that is subject to a safety inspection, an emissions inspection, or both must be inspected as follows:

- (1) A new vehicle must be inspected before it is offered for sale at retail in this State.
- (2) A used vehicle must be inspected before it is offered for sale at retail in this State by a dealer at a location other than a public auction.
- (3) A used vehicle that is offered for sale at retail in this State by a dealer at a public auction must be inspected before it is offered for sale unless it has an inspection sticker that was put on the vehicle under this Part and does not expire until at least nine months after the date the vehicle is offered for sale at auction.
- (4) A used vehicle acquired by a resident of this State from a person outside the State must be inspected within 10 days after the vehicle is registered with the Division.
- (5) A vehicle owned by a new resident of this State who transfers the registration of the vehicle from the resident's former home state to this State must be inspected within 10 days after the vehicle is registered with the Division.
- (6) A vehicle that has been inspected in accordance with this Part must be inspected by the last day of the month in which the inspection sticker on the vehicle expires, unless another subdivision of this section requires it to be inspected sooner.

"§ 20-183.4D. Procedure when a vehicle is inspected.

(a) **Receipt.** – When a safety inspection mechanic or an emissions inspection mechanic inspects a vehicle, the mechanic must give the person who brought the vehicle in for inspection an inspection receipt. The inspection receipt must state the date of the inspection, identify the mechanic performing the inspection, identify the station or self-inspector where the inspection was performed, and list the components of the inspection performed and indicate for each component whether the vehicle passed or failed. A vehicle that fails a component of an inspection may be repaired at any repair facility chosen by the owner or operator of the vehicle.

(b) **Sticker.** – When a vehicle that is subject to a safety inspection only passes the safety inspection, the safety inspection mechanic who performed the inspection must put an inspection sticker on the windshield of the vehicle at the place designated by the

Division. When a vehicle that is subject to both a safety inspection and an emissions inspection passes both inspections or passes the safety inspection and has a waiver for the emissions inspection, the emissions mechanic performing the inspection must put an inspection sticker on the windshield of the vehicle at the place designated by the Division.

(c) Content of Sticker. – An inspection sticker issued for a vehicle that is subject to a safety inspection only must be a different color from an inspection sticker issued for a vehicle that is subject to both a safety and an emissions inspection. An inspection sticker must indicate when it expires, must be printed with a unique serial number and an official program seal, and must be counterfeit resistant. The side of an inspection sticker that is readable from the interior of a vehicle must contain the following information:

- (1) The date the inspection was performed.
- (2) The odometer reading when the inspection was performed.
- (3) The signature, initials, or other identification of the mechanic who performed the inspection and put the sticker on the windshield.

(d) When Sticker Expires. – An inspection sticker put on a vehicle that did not have an inspection sticker issued under this Part when it was brought in for inspection expires at midnight on the last day of the twelfth month after the month the inspection sticker is put on the vehicle. An inspection sticker put on a vehicle that had an inspection sticker that was put on under this Part when it was brought in for inspection expires as follows:

- (1) If the expiration date of the inspection sticker the vehicle had when it was brought in for inspection is less than 12 full months from the date of the inspection, the inspection sticker expires at midnight on the last day of the twelfth month after the month the inspection sticker is put on the vehicle.
- (2) If the expiration date of the inspection sticker the vehicle had when it was brought in for inspection is 12 or more months from the date of the inspection, the inspection sticker expires one year after the expiration date of the inspection sticker the vehicle had when it was brought in for inspection, regardless of whether there are 12 months in this period.

"§ 20-183.5. Supervision of safety equipment inspection stations. When a vehicle that fails an emissions inspection may obtain a waiver from the inspection requirement.

~~When a person, firm or agency is designated as a safety equipment inspection station the Commissioner of Motor Vehicles shall record such appointment and shall cause periodic checks to be made to determine that inspections are being conducted in accordance with this Part, and shall cause investigations to be made of bona fide complaints received regarding any such inspection station. The Division shall conduct administrative audits.~~

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

- (1) Fails an emissions inspection because it passes the visual inspection part of the inspection but fails the exhaust emissions analysis part of the inspection.
- (2) Has documented repairs 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.
- (3) Is reinspected and again fails the inspection because it passes the visual inspection part of the inspection but fails the exhaust emissions analysis part of the inspection.
- (4) Meets any other waiver criteria required by 40 C.F.R. § 51.360.

(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 emissions inspection expires at the same time it would if the vehicle had passed the emissions inspection.

"§ 20-183.6. Commissioner of Motor Vehicles to establish procedures; unlawful possession, etc., of certificates. – Businesses that replace windshields must register with Division to get inspection stickers.

(a) ~~The Commissioner of Motor Vehicles shall establish procedures for the control, distribution, sale, refund, and display of certificates and for the accounting for proceeds of their sale, consistent with this Article. It shall be unlawful knowingly to possess, affix, transfer, remove, imitate or reproduce an inspection certificate, except by direction of the Commissioner of Motor Vehicles under the terms of this Article.~~

(b) ~~Notwithstanding any other provision of this Article, those who replace windshields in motor vehicles shall place on the replacement windshield an inspection certificate having the same expiration date as the certificate attached to the windshield removed and shall retain the certificate attached to the windshield removed until 30 days after the expiration thereof. In addition to the authority granted in subsection (a),~~

~~the Commissioner is hereby authorized to adopt and enforce such rules and regulations as may be necessary to carry out the provisions of this section.~~

A person who is engaged in the business of replacing windshields on vehicles that are subject to inspection under this Part may register with the Division to obtain replacement inspection stickers for use on replaced windshields. A replacement inspection sticker put on a windshield that has been replaced must contain the same information and expire at the same time as the inspection sticker it replaces. A person who puts a replacement inspection sticker on a replaced windshield must remove the inspection sticker from the windshield that was replaced and keep the removed inspection sticker until 30 days after it expires.

A person registered under this section must keep records of replacement stickers put on replaced windshields and must be able to account for all inspection stickers received from the Division. The Division may suspend or revoke the registration of a person under this section if the person fails to keep records required by the Division or is unable to account for inspection stickers received from the Division. An auditor of the Division may review the records of a person registered under this section during normal business hours.

"§ 20-183.6A. Administration of program; duties of license holders.

(a) Division. – The Division is responsible for administering the safety inspection and the emissions inspection programs. In exercising this responsibility, the Division must:

- (1) Conduct performance audits, record audits, and equipment audits of those licensed to perform inspections to ensure that inspections are performed properly.
- (2) Ensure that Division personnel who audit license holders are knowledgeable about audit procedures and about the requirements of both the safety inspection and the emissions inspection programs.
- (3) Perform an emissions inspection on a vehicle when requested to do so by a vehicle owner so the owner can compare the result of the inspection performed by the Division with the result of an inspection performed at an emissions inspection station.
- (4) Investigate complaints about a person licensed to perform inspections and reports of irregularities in performing inspections.
- (5) Establish written procedures for the issuance of inspection stickers to persons licensed to perform inspections.
- (6) Submit information and reports to the federal Environmental Protection Agency as required by 40 C.F.R. Part 51.

(b) License Holders. – A person who is licensed by the Division under this Part must post the license at the place required by the Division and must keep a record of inspections performed. The inspection record must identify the vehicle that was inspected, indicate the type of inspection performed and the date of inspection, and contain any other information required by the Division. A self-inspector or an inspection station must send its records of inspections to the Division in the form and at the time required by the Division. An auditor of the Division may review the inspection

records of a person licensed by the Division under this Part during normal business hours.

"§ 20-183.7. Charges for inspections and certificates; safety equipment inspection station records. Fees for performing an inspection and putting an inspection sticker on a vehicle; use of civil penalties.

(a) Fee Amount. ~~Every safety equipment inspection station shall charge a fee of six dollars and twenty five cents (\$6.25) effective October 1, 1990; and a fee of eight dollars and twenty five cents (\$8.25) effective October 1, 1993, for inspecting a motor vehicle to determine compliance with the safety inspection requirements of this Article and shall give the vehicle operator a dated receipt, indicating the articles and equipment approved and disapproved. At any time within 90 days thereafter, when the receipt is presented to the inspection station which issued it with a request for reinspection, that inspection station shall reinspect the vehicle at no charge. Whenever any vehicle is approved, the inspection station shall obtain an additional fee of one dollar (\$1.00) for a valid inspection certificate, and affix the certificate to that vehicle or otherwise document the issuance of the certificate in a manner prescribed by the Commissioner of Motor Vehicles. 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> |
|-----------------------------|-------------------|----------------|
| <u>Safety Only</u> | <u>\$8.25</u> | <u>\$1.00</u> |
| <u>Emissions and Safety</u> | <u>17.00</u> | <u>2.40.</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.

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.

~~(a1) For inspection of vehicles required to be inspected under the inspection/maintenance provisions of G.S. 20-183.3(b), every safety equipment inspection station shall charge a fee of thirteen dollars (\$13.00) effective October 1, 1990; and a fee of seventeen dollars (\$17.00) effective October 1, 1993, for inspecting a motor vehicle to determine compliance with the safety inspection requirements and the exhaust emission standards pursuant to the inspection/maintenance requirements of this Article and shall give the vehicle operator a dated receipt indicating the articles and equipment approved or disapproved and whether the vehicle met the emission control standards. If the vehicle is disapproved, at any time within 30 days thereafter when the receipt is presented to the inspection station which issued it with a request for reinspection, that inspection station shall reinspect the vehicle at no charge. Whenever any vehicle is approved, the inspection station shall obtain an additional fee of two dollars and forty cents (\$2.40) for a valid inspection certificate covering both the safety inspection requirements and the emission control inspection/maintenance requirements and affix the certificate to that vehicle or otherwise document the issuance of the certificate in a manner prescribed by the Commissioner of Motor Vehicles.~~

(b) Self-Inspector. – ~~Self inspector stations licensed under G.S. 20-183.4 are exempt from the inspecting fee provisions of subsection (a) above, but shall pay to the Division of Motor Vehicles the prescribed certificate fee for each inspection certificate issued by it. 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 certificates 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 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 Environmental Management of the Department of Environment, Health, and Natural Resources:~~

| <u>Fund or Agency Recipient</u> | <u>Fee Imposed Under (a) Safety Only Sticker</u> | <u>Fee Imposed Under (a1) Emissions and Safety Sticker</u> |
|--------------------------------------|--|--|
| Highway Fund | .75 | 1.80 .00 |
| <u>Emissions Program Account</u> | .00 | 1.80 |
| Volunteer Rescue/EMS Fund | .15 | .15 |
| Rescue Squad Workers' Relief Fund | .10 | .10 |
| Division of Environmental Management | .00 | .35. |

(d) Account. – ~~Each inspection station shall maintain a record of inspections performed, in a form approved by the Division of Motor Vehicles, for a period of 18 months and such records shall be made available for inspection by any law enforcement officer, upon demand, during normal business hours. 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.~~

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

~~"§ 20-183.8. Commissioner of Motor Vehicles to issue regulations subject to approval of Governor; penalties for violation; fictitious or unlawful inspection certificate; 30-day grace period for expired inspection certificates. Infractions and criminal offenses for violations of inspection requirements.~~

(a) ~~It is the intent of the Article that the provisions herein shall be carried out by the Commissioner of Motor Vehicles for the safety and convenience of the motoring public. The Commissioner shall have authority to promulgate only such regulations as are reasonably necessary for the purpose of carrying out the provisions of this~~

inspection program, but such regulations shall not be effective until the same have been approved by the Governor.

~~(b) The Commissioner of Motor Vehicles is authorized to enter into agreements or arrangements with the duly authorized representatives of other jurisdictions whereby the safety equipment inspection required under this Article may be waived with respect to vehicles which have undergone substantially similar safety equipment inspections in such other jurisdictions and for which valid inspection certificates have been issued by such other jurisdictions. Such agreements or arrangements shall provide that vehicles inspected in this State and for which valid inspection certificates have been issued shall be accorded a similar privilege when subject to the laws of such other jurisdictions. Each such agreement or arrangement shall, in the judgment of the Commissioner, be in the best interest of this State and the citizens thereof and shall be fair and equitable to this State and citizens thereof; and all of the same shall be determined upon the basis and recognition of the benefits which accrue to the citizens of this State by reason of the agreement or arrangement.~~

~~The Commissioner is also authorized to promulgate rules and regulations providing that the safety equipment inspection may be waived with respect to any vehicle which has undergone a similar inspection in another jurisdiction and for which a valid and current inspection certificate has been issued by such other jurisdiction.~~

~~(c) Except for the unauthorized reproduction of an inspection sticker, violation of any provision of this Article is an infraction which carries a penalty of not more than fifty dollars (\$50.00). The unauthorized reproduction of an inspection sticker is a forgery under G.S. 14-119.~~

~~(d) No person shall display or cause to be displayed or permit to be displayed upon any motor vehicle any inspection certificate, knowing the same to be fictitious or to be issued for another motor vehicle or to be issued without inspection and approval having been made. The Division is hereby authorized to take immediate possession of any inspection certificate which is fictitious or which has been otherwise unlawfully or erroneously issued or which has been unlawfully used.~~

~~(e) No person shall be convicted of failing to display current inspection certificate as provided under this Article if he produces in court at the time of his trial a receipt from a licensed motor vehicle inspection station showing that a valid inspection certificate was issued for the vehicle involved within 30 days after expiration of the previous inspection certificate issued for the vehicle.~~

~~(f) It shall be unlawful for any person to attach an inspection certificate to a vehicle if he knows, or has reasonable grounds to know, that the required inspection has not been performed according to law, including rules and regulations promulgated by the Commissioner.~~

(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) Attaches an inspection sticker to a vehicle, knowing or having reasonable grounds to know an inspection of the vehicle was not performed or was performed improperly.

(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) The vehicle was in a state of disrepair on the date the inspection sticker expired, the owner has since repaired the vehicle, the vehicle is being driven from the owner's residence or other place where the owner repaired the vehicle to an inspection station, and the owner has not otherwise driven the vehicle since the inspection sticker expired.
- (4) The charged infraction is described in subdivision (a)(1) of this section, the vehicle is subject to a safety-only 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 forges an inspection sticker commits a Class I felony.

"§ 20-183.8A. Civil penalties against motorists for emissions violations.

The Division must assess a civil penalty against a person who owns or leases a vehicle that is subject to an emissions inspection and who does any of the following:

- (1) Fails to have the vehicle inspected within four months after it is required to be inspected under this Part.
- (2) Instructs or allows a person to tamper with an emission control device of the vehicle so as to make the device inoperative or fail to work properly.
- (3) Incorrectly states the county of registration of the vehicle to avoid having an emissions inspection of the vehicle.

The amount of the penalty is one hundred dollars (\$100.00) if the vehicle is a pre-1981 vehicle and is two hundred twenty-five dollars (\$225.00) if the vehicle is a 1981 or newer model vehicle.

"§ 20-183.8B. Civil penalties against license holders and suspension or revocation of license for emissions violations.

(a) Kinds of Violations. – The civil penalty schedule established in this section applies to emissions self-inspectors, emissions inspection stations, and emissions inspection mechanics. The schedule categorizes emissions 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 emission reduction benefits of the emissions 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 an emissions inspection or complying with the emissions inspection requirements but does not directly affect the emission reduction benefits of the emissions 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 by an emissions self-inspector or an emissions 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 seven years by an emissions self-inspector or an emissions 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 by an emissions 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 an emissions 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 by an emissions self-inspector or an emissions inspection station, assess a civil penalty of one hundred dollars (\$100.00). For a third or subsequent Type II violation within seven years by an emissions self-inspector or an emissions 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 by an emissions inspection mechanic, assess a civil penalty of fifty dollars (\$50.00). For a third or subsequent Type II violation within seven years by an emissions 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 by an emissions self-inspector, an emissions inspection station, or an emissions inspection mechanic, send a warning letter. For a third or subsequent Type III violation within seven years by the same emissions license holder, assess a civil penalty of twenty-five dollars (\$25.00).

(c) Station or Self-Inspector Responsibility. – It is the responsibility of an emissions inspection station and an emissions self-inspector to supervise the emissions mechanics it employs. A Type I violation by an emissions inspector mechanic is considered a Type I violation by the station or self-inspector for whom the mechanic is employed. A Type II or III violation by an emissions mechanic is not automatically a Type II or III violation by the station or self-inspector for whom the mechanic is employed. The Division may determine which Type II or Type III violations by an emissions mechanic are also violations by the station or self-inspector.

(d) Missing Stickers. – The Division must assess a civil penalty against an emissions inspection 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.

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). Imposition of a monetary penalty under this subsection does not affect suspension or revocation of a license required under subsection (b).

"§ 20-183.8C. Acts that are Type I, II, or III emissions violations.

(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 or after performing an emissions inspection in which 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 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.

(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.
- (2) Keep inspection stickers and other compliance documents in a manner that makes them easily accessible to individuals who are not inspection mechanics.

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

- (1) Fail to post an emissions license issued by the Division.
- (2) Fail to send information on emissions inspections to the Division at the time or in the form required by the Division.

(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.

"§ 20-183.8D. Suspension or revocation of license for safety violations.

The Division may suspend or revoke a safety self-inspector license, a safety inspection station license, and a safety inspection mechanic license issued under this Part if the license holder fails to comply with this Part or a rule adopted by the Commissioner to implement this Part.

"§ 20-183.8E. Administrative and judicial review.

A person whose application for a license or registration is denied, whose license or registration is suspended or revoked, who is assessed a civil penalty, or who receives a warning letter under this Part may obtain an administrative review of the action by the Commissioner by filing with the Division a written request for a hearing before the Commissioner. A request for a hearing must be filed within 10 days after the person receives written notice of the action for which a hearing is requested.

If the action that is the subject of a request for a hearing is the suspension or revocation of an emissions self-inspector license, an emissions inspection station license, or an emissions inspection mechanic license, the Commissioner must hold the hearing within 14 days after the Division receives the request. If the action that is the subject of a request for a hearing is not one of these actions, the Commissioner must hold a hearing within 90 days after the Division receives the request.

After a hearing on the imposition of a monetary penalty against a motorist for an emissions violation or on a Type I, II, or III emissions violation by an emissions license holder, the Commissioner must uphold any monetary penalty, license suspension, license revocation, or warning required by G.S. 20-183.8A or G.S. 20-183.8B, respectively, if the Commissioner finds that the motorist or license holder committed the act for which the monetary penalty, license suspension, license revocation, or warning was imposed. After a hearing on any other action, the Commissioner may uphold or modify the action.

Article 4 of Chapter 150B of the General Statutes governs judicial review of an administrative decision by the Commissioner under this section."

Sec. 2. The heading to Article 3A of Chapter 20 of the General Statutes reads as rewritten:

"ARTICLE 3A.

"Motor Vehicle Law of 1947: Safety and Emissions Inspection Program."

Sec. 3. Part 1 of Article 3A of Chapter 20 of the General Statutes is repealed.

Sec. 4. G.S. 20-127(e) is repealed.

Sec. 5. G.S. 20-128.2(b) is repealed.

Sec. 6. G.S. 20-384 reads as rewritten:

"§ 20-384. Safety regulations applicable to motor carrier and private carrier vehicles. Carriers must comply with safety rules and regulations.

(a) Scope. – The Division of Motor Vehicles may promulgate adopt highway safety rules and regulations for all for-hire motor carrier vehicles and all private carrier vehicles engaged in interstate commerce and intrastate commerce over the highways of North Carolina whether common carriers, contract carriers, exempt carriers, or private carriers.

(b) Infraction. – A motor carrier who fails to conduct a safety inspection of a vehicle as required by 49 C.F.R. Part 396, the federal Motor Carrier Safety Regulations, or who fails to mark a vehicle that has been inspected as required by that Part commits an infraction and, if found responsible, is liable for a penalty of up to fifty dollars (\$50.00)."

Sec. 7. Effective October 1, 1996, G.S. 20-54 reads as rewritten:

"§ 20-54. Authority for refusing registration or certificate of title.

The Division shall refuse registration or issuance of a certificate of title or any transfer of registration upon any of the following grounds:

- (1) ~~That the~~ The application contains ~~any a~~ false or fraudulent statement or ~~that statement,~~ the applicant has failed to furnish required information or reasonable additional information requested by the ~~Division or that~~ Division, or the applicant is not entitled to the issuance of a certificate of title or registration of the vehicle under this ~~Article;~~ Article.
- (2) ~~That the~~ The vehicle is mechanically unfit or unsafe to be operated or moved upon the ~~highways;~~ highways.
- (3) ~~That the~~ The Division has reasonable ground to believe that the vehicle is a stolen or embezzled vehicle, or that the granting of registration or the issuance of a certificate of title would constitute a fraud against the rightful owner or ~~other another person having~~ who has a valid lien ~~upon such vehicle;~~ against the vehicle.
- (4) ~~That the~~ The registration of the vehicle stands suspended or revoked for any reason as provided in the motor vehicle laws of this ~~State;~~ State.
- (5) ~~That the~~ The required fee has not been paid.

- (6) The vehicle is not in compliance with the emissions inspection requirements of Part 2 of Article 3A of this Chapter or a civil penalty assessed as a result of the failure of the vehicle to comply with that Part has not been paid."

Sec. 8. Effective October 1, 1996, G.S. 20-183.8A, as enacted by Section 1 of this act, reads as rewritten:

"§ 20-183.8A. Civil penalties against motorists for emissions violations.

The Division must assess a civil penalty against a person who owns or leases a vehicle that is subject to an emissions inspection and who does any of the following:

- (1) Fails to have the vehicle inspected within four months after it is required to be inspected under this Part.
- (2) Instructs or allows a person to tamper with an emission control device of the vehicle so as to make the device inoperative or fail to work properly.
- (3) Incorrectly states the county of registration of the vehicle to avoid having an emissions inspection of the vehicle.

The amount of penalty is one hundred dollars (\$100.00) if the vehicle is a pre-1981 vehicle and two hundred fifty dollars (\$250.00) if the vehicle is a 1981 or newer model vehicle. As provided in G.S. 20-54, the registration of a vehicle may not be renewed until a penalty imposed under this subsection has been paid."

Sec. 9. Temporary Computer Matching. – From the effective date of this act until October 1, 1996, the Division of Motor Vehicles of the Department of Transportation shall ensure motorist compliance with the emissions inspection requirements of Part 2 of Article 3A of Chapter 20 of the General Statutes by the following computer matching method:

- (1) Determine from data supplied by emissions inspection stations if each vehicle that is subject to the emissions inspection requirements, and for which the Division issues or renews a registration, and has a current inspection sticker.
- (2) Send a warning letter to the owner of each vehicle that is not in compliance notifying the owner that the vehicle is not in compliance, that the Division will check to see if the vehicle is brought into compliance within 30 days of the date the letter is mailed, and that failure to comply will result in revocation of the registration of the vehicle.
- (3) Check to determine if a vehicle is brought into compliance as required by the letter.
- (4) Send a notice of violation and a notice of penalty to the owner of a vehicle that has not been brought into compliance in accordance with the first letter. The letter must notify the owner that the registration of the vehicle will be revoked effective 30 days from the date the second letter is mailed if the owner does not bring the vehicle into compliance within that time and pay any penalty that is due. The Division must assess a civil penalty against the owner of a vehicle that was not

inspected within four months of the time it was required to be inspected. The penalty is the amount set in G.S. 20-183.8A, as enacted by Section 1 of this act.

- (5) Revoke the registration and pick up the registration plate for a vehicle whose owner has failed to bring the vehicle into compliance or pay a required penalty within 30 days after the second letter.

Sec. 10. The Joint Legislative Transportation Oversight Committee shall review the definition of a transaction that is set in the Current Operations Appropriations Act and establishes the method by which branch agents of the Division of Motor Vehicles of the Department of Transportation are reimbursed. The review shall evaluate whether the definition will adequately compensate branch agents for the time involved in denying a vehicle registration and explaining the reason for the denial when a vehicle registration is denied for failure to have an emissions inspection or pay an emissions inspection civil penalty. The review may include a review of the branch agent compensation and time involved in similar activities, such as the denial of a vehicle registration for failure to pay property taxes. The Committee shall report its findings to the 1995 General Assembly.

Sec. 11. The Division of Motor Vehicles of the Department of Transportation shall study the problem of the unlawful transfer of a vehicle inspection sticker from one vehicle to another. In studying this problem, the Division shall consider whether the current design of the inspection sticker can be improved so that an inspection sticker cannot be removed from a vehicle without tearing or otherwise becoming unusable and whether inspection stickers will be necessary when denial of vehicle registration becomes effective October 1, 1996. The Division shall also consider whether some vehicles, such as public school buses, should be exempt from the requirement that a vehicle display an inspection sticker to prevent vandalism of buses that occurs when a person unlawfully removes an inspection sticker from the windshield of a bus. The Division shall report its findings to the Joint Legislative Transportation Oversight Committee by December 1, 1994.

Sec. 12. All expenditures for the 1994-95 fiscal year for the Exhaust Emission Inspection Program of the Division of Motor Vehicles of the Department of Transportation shall be paid from the Emissions Program Account, established by Section 1 of this act. Accordingly, the following amounts revert to the Highway Fund effective June 30, 1995, and the expenses for which these amounts are appropriated shall be paid from the Account:

- (1) The amount of the 1994-95 certified budget for the Exhaust Emission Inspection Program, Budget Code 0590.
- (2) The amount appropriated to the Division of Motor Vehicles for data processing improvements in Section 6 of Senate Bill 1505, AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 1993, TO MAKE APPROPRIATIONS FOR CAPITAL IMPROVEMENTS FOR THE 1994-95 FISCAL YEAR, AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

Sec. 13. The Division of Motor Vehicles of the Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee on a quarterly basis during the 1994-95 fiscal year on the implementation of Section 1 of this act. The Division shall include the following information in its report:

- (1) The number of remote visual observations of inspector performance conducted during that quarter and the results of the observations.
- (2) The number of site visits made during the quarter using covert vehicles set to fail and the results of the visits.
- (3) Any efficiencies in operations made possible by Section 1 of this act.
- (4) The progress of temporary computer matching.
- (5) Any recommendations of the Division for improvements in the vehicle emission inspection program.
- (6) Any other information requested by the Committee.

Sec. 14. The Secretary of the Department of Transportation may expend funds appropriated to the Department of Transportation for the 1994-95 fiscal year to expand efforts that encourage compliance with fuel tax laws. Funds expended to support these efforts shall be itemized and provided to the Joint Legislative Transportation Oversight Committee, the members of the House Appropriations Subcommittee on Transportation, and the members of the Senate Appropriations Subcommittee on Transportation for review prior to the expenditure of funds.

By December 1, 1994, the Secretary of the Department of Transportation and the Secretary of the Department of Revenue shall consider alternatives to collection of the fuel tax on diesel fuel and develop a plan to implement an assessment policy other than payment of the diesel-fuel tax at the pump.

Sec. 15. Sections 1 through 6 of this act become effective October 1, 1994. Sections 7 and 8 of this act become effective October 1, 1996. The remaining sections of this act are effective upon ratification.

In the General Assembly read three times and ratified this the 15th day of July, 1994.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives