GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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SENATE DRS35058-MLf-76 (02/10)

| Short Title | : E | Eliminate Safety Insp./Modify Emission Insp. | (Public) | | |
|---|----------------------------------|--|-----------------------|--|--|
| Sponsors: | S | enators Randleman, Tarte, and Bingham (Primary Sponsors). | | | |
| Referred to |): | | | | |
| A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT THAT MOTOR VEHICLES REGISTERED IN THIS STATE HAVE AN ANNUAL SAFETY INSPECTION AND TO MAKE CONFORMING STATUTORY CHANGES MADE NECESSARY BY REPEAL OF THAT REQUIREMENT, TO PROVIDE FOR THE DEVELOPMENT AND IMPLEMENTATION OF A MANAGEMENT IMPROVEMENT PLAN TO INCREASE EFFICIENCY, REDUCE COSTS, AND IMPROVE CUSTOMER SERVICE FOR THE MOTOR VEHICLE EMISSIONS INSPECTION PROGRAM ADMINISTERED BY THE DIVISION OF MOTOR VEHICLES, AND TO REQUIRE THE FISCAL RESEARCH DIVISION OF THE GENERAL ASSEMBLY TO CONDUCT A FISCAL REVIEW OF THE DIVISION OF MOTOR VEHICLES EMISSIONS INSPECTION PROGRAM, BASED ON RECOMMENDATIONS FROM THE PROGRAM EVALUATION | | | | | |
| DIVISION. The General Assembly of North Carolina enacts: SECTION 1. Article 3A of Chapter 20 of the General Statutes reads as rewritten: "Article 3A. "Safety and Emissions Inspection Program. "Part 1. Safe Use of Streets and Highways. | | | | | |
| | | epealed by Session Laws 1993 (Reg. Sess., 1994), c. 754, s. 3. "Part 2. Safety and Emissions Inspections of Certain Vehicles. | • • • | | |
| | | escription of vehicles subject to safety or emissions inspection; define ty.—A motor vehicle is subject to a safety inspection in accordance | | | |
| Part if it meets all of the following requirements: | | | | | |
| | (1) (2) | It is subject to registration with the Division under Article 3 of this (It is not subject to inspection under 49 C.F.R. Part 396, the feder Carrier Safety Regulations. | | | |
| | (3) | It is not a trailer whose gross weight is less than 4,000 pounds of trailer. | r a house | | |
| (a1) | Safet | sy Inspection Exceptions The following vehicles shall not be sub- | oject to a | | |
| safety insp | ection | n pursuant to this Article: | | | |
| | (1) (2) | Historic vehicles, as described in G.S. 20-79.4(b)(88). Buses titled to a local board of education and subject to the sc inspection requirements specified by the State Board of Educa G.S. 115C 248. | | | |
| | | ssions. Emissions Inspections A motor vehicle is subject to an e | emissions | | |
| inspection in accordance with this Part if it meets all of the following requirements: | | | | | |



- It is subject to registration with the Division under Article 3 of this Chapter, 1 (1) 2 except for motor vehicles operated on a federal installation as provided in 3 sub-subdivision e. of subdivision (5) of this subsection. 4 It is not a trailer whose gross weight is less than 4,000 pounds, a house (2) 5 trailer, or a motorcycle. 6 (Effective until January 1, 2014 or until contingency met – see Editor's (3) 7 note) It is a 1996 or later model. 8 (For delayed effective date, see Editor's note) It is (i) a 1996 or later (3) 9 model and older than the three most recent model years or (ii) a 1996 or later 10 model and has 70,000 miles or more on its odometer. 11 (4) Repealed by Session Laws 1999-328, s. 3.11, effective July 21, 1999. It meets any of the following descriptions: 12 (5) 13 It is required to be registered in an emissions county. a. 14 It is part of a fleet that is operated primarily in an emissions county. b. 15 It is offered for rent in an emissions county. c. It is a used vehicle offered for sale by a dealer in an emissions 16 d. 17 18 e. It is operated on a federal installation located in an emissions county 19 and it is not a tactical military vehicle. Vehicles operated on a federal 20 installation include those that are owned or leased by employees of 21 the installation and are used to commute to the installation and those 22 owned or operated by the federal agency that conducts business at 23 the installation. 24 f. It is otherwise required by 40 C.F.R. Part 51 to be subject to an 25 emissions inspection. 26 (6) It is not licensed at the farmer rate under G.S. 20-88(b). 27 It is not a new motor vehicle, as defined in G.S. 20-286(10)a. and has been a (7) 28 used motor vehicle, as defined in G.S. 20-286(10)b., for 12 months or more. 29 However, a motor vehicle that has been leased or rented, or offered for lease 30 or rent, is subject to an emissions inspection when it either: 31 Has been leased or rented, or offered for lease or rent, for 12 months a. 32 33 Is sold to a consumer-purchaser. b. 34 (8) It is not a privately owned, nonfleet motor home or house car, as defined in 35 G.S. 20-4.01(27)d2., that is built on a single chassis, has a gross vehicle 36 weight of more than 10,000 pounds, and is designed primarily for 37 recreational use. 38 (9) It is not a plug-in electric vehicle as defined in G.S. 20-4.01(28a). 39 It is not a fuel cell electric vehicle as defined in G.S. 20-4.01(12a). (10)40 41 "§ 20-183.3. Scope of safety inspection and an emissions inspection. 42 Safety. - A safety inspection of a motor vehicle consists of an inspection of the 43 following equipment to determine if the vehicle has the equipment required by Part 9 of Article 44 3 of this Chapter and if the equipment is in a safe operating condition: 45 Brakes, as required by G.S. 20-124. (1) 46
 - Lights, as required by G.S. 20-129 or G.S. 20-129.1. (2)
 - Horn, as required by G.S. 20-125(a). (3)
 - Steering mechanism, as required by G.S. 20-123.1. (4)
 - (5) Windows and windshield wipers, as required by G.S. 20-127. To determine if a vehicle window meets the window tinting restrictions, a safety inspection mechanic must first determine, based on use of an automotive

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film check card or knowledge of window tinting techniques, if after-factory tint has been applied to the window. If after-factory tint has been applied, the mechanic must use a light meter approved by the Commissioner to determine if the window meets the window tinting restrictions.

- (6) Directional signals, as required by G.S. 20-125.1.
- (7) Tires, as required by G.S. 20-122.1.
- (8) Mirrors, as required by G.S. 20-126.
- (9) Exhaust system and emissions control devices, 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 emissions control devices is included in the emissions inspection rather than the safety inspection.
- (b) Repealed by Laws 2000-134, s. 12, effective January 1, 2006.
- (b1) Emissions. An emissions inspection of a motor vehicle consists of a visual inspection of the vehicle's emissions control devices to determine if the devices are present, are properly connected, and are the correct type for the vehicle and an analysis of data provided by the on-board diagnostic (OBD) equipment installed by the vehicle manufacturer to identify any deterioration or malfunction in the operation of the vehicle that violates standards for the model year of the vehicle set by the Environmental Management Commission. To pass an emissions inspection a vehicle must pass both the visual inspection and the OBD 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 60 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, limit, 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. 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. A place of business designated in a station license that has been suspended or revoked cannot be the designated place for any other license applicant during the period of the suspension or revocation, unless the Division finds that operation of the place of business as an inspection station during this period by the license applicant would not defeat the purpose of the suspension or revocation because the license applicant has no connection with the person whose license was suspended or revoked or because of another reason. A finding made by the Division under

this subdivision must be set out in a written statement that includes the 1 2 finding and the reason for the finding. 3 (2) Regularly employ at least one mechanic who has a safety inspection 4 mechanic license. 5 Designate the individual who will be responsible for the day to day (3)operation of the station. The individual designated must be of good character 6 7 and have a reputation for honesty. 8 Have equipment and software approved by the Division to transfer (4) 9 information on safety inspections to the Division by electronic means. 10 During the initial implementation of the electronic inspection process, the 11 vendor selected by the Division shall provide the equipment and software at no cost to a station that holds a license on October 1, 2008. 12 13 Mechanic Qualifications. An applicant for a license as a safety inspection (c) 14 mechanic must meet all of the following requirements: 15 (1)Have successfully completed an eight hour course approved by the Division that teaches students about the safety equipment a motor vehicle is required 16 17 to have to pass a safety inspection and how to conduct a safety inspection 18 using equipment to electronically transmit the vehicle information and 19 inspection results. 20 (2) Have a drivers license. 21 (3)Be of good character and have a reputation for honesty. 22 (d) Self-Inspector Qualifications. An applicant for a license as a safety self-inspector 23 must meet all of the following requirements: 24 (1)Operate a fleet of at least 10 vehicles that are subject to a safety inspection. 25 (2)Regularly employ or contract with an individual who has a safety inspection 26 mechanic license and who will perform a safety inspection on the vehicles 27 that are part of the self-inspector's fleet. 28 "§ 20-183.4A. License required to perform emissions inspection; qualifications for 29 License Required. - An emissions inspection must be performed by one of the 30 (a) 31 following methods: 32 At a station that has an emissions inspection station license issued by the (1) 33 Division and by a mechanic who is employed by the station and has an 34 emissions inspection mechanic license issued by the Division. 35 At a place of business of a person who has an emissions self-inspector (2) 36 license issued by the Division and by an individual who has an emissions 37 inspection mechanic license. 38 Station Qualifications. - An applicant for a license as an emissions inspection (b) 39 station must meet all of the following requirements: Have a license as a safety inspection station. 40 (1)(2) 41 Repealed by Session Law 2000-134, s. 15, effective January 1, 2006. 42 Have equipment to analyze data provided by the on-board diagnostic (OBD) (2a) 43 equipment approved by the Environmental Management Commission. Have equipment and software to transfer information on emissions 44 (3) 45 inspections to the Division by electronic means. During the initial 46 implementation of the electronic inspection process, the vendor selected by 47 the Division shall provide the software at no cost to a station that holds a 48 license on October 1, 2008. 49 Regularly employ at least one mechanic who has an emissions inspection (4) 50 mechanic license.

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- Mechanic Qualifications. An applicant for a license as an emissions inspection (c) mechanic must meet all of the following requirements:
- (1)Have a license as a safety inspection mechanic.
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- Repealed by Session Law 2000-134, s. 15, effective January 1, 2006.
- 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 United States Environmental Protection Agency, the emission control devices on vehicles, how to conduct an emissions inspection using equipment to analyze data provided by the on-board diagnostic (OBD) equipment 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.
- Self-Inspector Qualifications. An applicant for a license as an emissions (d) self-inspector must meet all of the following requirements:
 - (1) Have a license as a safety self-inspector.
 - Operate a fleet of at least 10 vehicles that are subject to an emissions (2) inspection.
 - (3) Repealed by Session Law 2000-134, s. 15, effective January 1, 2006.
 - (3a) Have, or have a contract with a person who has, equipment to analyze data provided by the on-board diagnostic (OBD) equipment approved by the Environmental Management Commission.
 - Regularly employ or contract with an individual who has an emissions (4) 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.

- 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.
- 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, anAn emissions inspection station license, license and a self-inspector license are effective until surrendered by the license holder or suspended or revoked by the Division.
- Renewal of Mechanic License. A safety or anAn 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.

"\s 20-183.4C. When a vehicle must be inspected; 10-day trip permit.

Inspection. – A vehicle that is subject to a safety inspection, an emissions inspection, or bothinspection must be inspected as follows:

- (1) A new vehicle must be inspected before it is sold at retail in this State. Upon purchase, a receipt approved by the Division must be provided to the new owner certifying compliance.
- (1a) A new motor vehicle dealer who is also licensed pursuant to this Article may, notwithstanding subdivision (1) of this section, examine the safety and emissions control devices on a new motor vehicle and perform such services necessary to ensure the motor vehicle conforms to the required specifications established by the manufacturer and contained in its predelivery check list. The completion of the predelivery inspection procedure required or recommended by the manufacturer on a new motor vehicle shall constitute the inspection required by subdivision (1) of this section. For the purposes of this subdivision, the date of inspection shall be deemed to be the date of the sale of the motor vehicle to a purchaser.
- (2) A used vehicle must be inspected before it is offered for sale at retail in this State by a dealer. Upon purchase, a receipt approved by the Division must be provided to the new owner certifying compliance.
- (3) Repealed by Session Law 2007-503, s. 5, effective October 1, 2008.
- (4) Except as authorized by the Commissioner for a single period of time not to exceed 12 months from the initial date of registration, a new or used vehicle acquired by a resident of this State from outside the State must be inspected before the vehicle is registered with the Division.
- (5) Except as authorized by the Commissioner for a single period of time not to exceed 12 months from the initial date of registration, 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 before the vehicle is registered with the Division.
- (5a) Repealed by Session Law 2007-503, s. 5, effective October 1, 2008.
- (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 registration on the vehicle expires.
- (7) A vehicle that is required to be inspected in accordance with this Part may be inspected 90 days prior to midnight of the last day of the month as designated by the vehicle registration sticker.
- (8) A new or used vehicle acquired from a retailer or a private sale in this State and registered with the Division with a new registration or a transferred registration must be inspected in accordance with this Part when the current registration expires unless it has received a passing inspection within the previous 12 months.
- (9) Repealed by Session Laws 2010-97, s. 3, effective July 20, 2010.
- (10) An unregistered vehicle may be registered with the Division in accordance with G.S. 20-50(b) for a period not to exceed 10 days prior to the vehicle receiving a passing inspection in accordance with this Part.
- (11) A person who owns a vehicle located outside of this State when its emissions inspection becomes due may obtain an emissions inspection in the jurisdiction where the vehicle is located, in lieu of a North Carolina emissions inspection, as long as the inspection meets the requirements of 40 C.F.R. § 51.
- (b) Permit. The Division may issue a 10-day trip permit to a person that authorizes the person to drive a vehicle whose inspection authorization or registration has expired. The permit may only be issued when the person has furnished proof of financial responsibility. The permit must describe the vehicle whose inspection authorization or registration has expired. The

permit authorizes the person to drive the described vehicle for a period not to exceed 10 days from the date of issuance.

(c) Exemption. – The Division may issue a temporary exemption from the inspection requirements of this Article for any vehicle that has been determined by the Division to be principally garaged, as defined under G.S. 58-37-1(11), in this State and is primarily operated outside a county subject to emissions inspection requirements or outside of this State.

"§ 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) Electronic Inspection Authorization. When a vehicle that is subject to a safety inspection only passes the safety inspection, the safety inspection mechanic who performed the inspection must issue an electronic inspection authorization to 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 or has a waiver for the emissions inspection, the emissions mechanic performing the inspection must issue an electronic inspection authorization to the vehicle at the place designated by the Division.
 - (c), (d) Repealed by Session Law 2007-503, s. 6, effective October 1, 2008.
- (e) When Electronic Inspection Authorization Expires. An electronic inspection authorization issued under this Part expires at midnight of the last day of the month designated by the vehicle registration sticker of the following year.

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

- (a) Requirements. The Division may issue a waiver for a vehicle, excluding a vehicle owned or being held for retail sale by a motor vehicle dealer, that meets all of the following requirements:
 - (1) Fails an emissions inspection because it passes the visual inspection but fails the analysis of data provided by the on-board diagnostic (OBD) equipment.
 - (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 two hundred dollars (\$200.00).
 - (3) Is reinspected and again fails the inspection because it passes the visual inspection but fails the analysis of data provided by the on-board diagnostic (OBD) equipment.
 - (4) Meets any other waiver criteria required by 40 C.F.R. § 51.360, or as designated by the Division.
- (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 electronic inspection authorization.
- (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:

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- 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) Repairs made by an individual who is not professionally engaged in the business of repairing vehicles.
 - OBD diagnostics without corresponding repairs. (4)
- Electronic Inspection Authorization. An electronic inspection authorization issued (d) to 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.

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

- Requirements. The Division may issue a waiver for a vehicle that meets all of the (a) following requirements:
 - (1) Fails a safety inspection because it does not have one or more emissions control devices.
 - (2)Has documented repairs within the previous calendar year to replace missing emissions control devices costing at least the waiver amount made to the vehicle to correct the cause of the failure. The waiver amount is two hundred dollars (\$200.00) if the vehicle is a 1996 or newer model.
- (b) Procedure. To obtain a waiver, a person must contact a local enforcement office of the Division. Before issuing a waiver, an employee of the Division must review the inspection receipts issued for the inspections of the vehicle, review the documents establishing what repairs were made to the vehicle and at what cost, review any statement denying warranty coverage of the repairs made, and do a visual inspection of the vehicle, if appropriate, to determine if the documented repairs were made. The Division must issue a waiver if it determines that the vehicle qualifies for a waiver. A person to whom a waiver is issued must present the waiver to the self-inspector or inspection station performing the inspection to obtain an electronic inspection authorization.
- 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:
 - Repairs covered by a warranty that applies to the vehicle. (1)
 - Repairs needed as a result of tampering with an emission control device of (2) the vehicle.
 - Repairs made by an individual who is not professionally engaged in the (3)business of repairing vehicles.
- Electronic Inspection Authorization Expiration. An electronic inspection (d) authorization issued to a vehicle after the vehicle receives a waiver from the requirement of passing the safety inspection expires at the same time it would if the vehicle had passed the safety inspection.
- "§ 20-183.6: Repealed by Session Laws 2007-503, s. 10, effective October 1, 2008, and applicable to offenses committed on or after that date.

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

- Division. The Division is responsible for administering the safety inspection and the emissions inspection programs.program. 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.
 - Ensure that Division personnel who audit license holders are knowledgeable (2) about audit procedures and about the requirements of both the safety inspection and the emissions inspection programs.program.

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- Perform an emissions inspection on a vehicle when requested to do so by a (3) 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.
- Investigate complaints about a person licensed to perform inspections and (4) reports of irregularities in performing inspections.
- Establish written procedures for the issuance of electronic inspection (5) authorizations to persons licensed to perform electronic inspection authorizations.
- Submit information and reports to the federal Environmental Protection (6) 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. Fees for performing an inspection and issuing an electronic inspection authorization to a vehicle; use of civil penalties.

Fee Amount. – When a fee applies to an inspection of a vehicle or the issuance of an electronic inspection authorization, the fee must be collected. The following fees apply to an inspection of a vehicle and the issuance of an electronic inspection authorization:

| Type | <u>Inspection</u> | <u>Authorization</u> |
|----------------------|-------------------------|--------------------------|
| Safety Only | \$12.75 | \$.85 |
| Emissions and Safety | 23.75 \$9.13 | 6.25. \$7.27. |

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 electronic inspection authorization applies when an electronic inspection authorization is issued to a vehicle. The fee for inspecting after factory tinted windows shall be ten dollars (\$10.00), and the fee applies only to an inspection performed with a light meter after a safety inspection mechanic determined that the window had after factory tint. A safety inspection mechanic shall not inspect an after-factory tinted window of a vehicle for which the Division has issued a medical exception permit pursuant to G.S. 20-127(f).

A vehicle that is inspected at an inspection station and fails the inspection is entitled to be reinspected at the same station at any time within 60 days of the failed inspection without paying another inspection fee.

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

Fee Distribution. - Fees collected for electronic inspection authorizations are (c) 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 Volunteer Rescue/EMS Fund established in G.S. 58 87 5, the Rescue Squad Workers' Relief Fund established in G.S. 58 88 5, Fund and the Division of Air Quality of the Department of Environment and Natural Resources:

| 1 | Recipient | Safety Only | Emissions and |
|---|-----------------------------------|------------------------|-----------------------|
| 2 | | Electronic | <u>Safety</u> |
| 3 | | Authorization | <u>Electronic</u> |
| 4 | | | <u>Authorization</u> |
| 5 | Highway Fund | .55 | 5.30 |
| 6 | Volunteer Rescue/EMS Fund | .18 | .18 |
| 7 | Rescue Squad Workers' Relief Fund | .12 | .12 |
| 8 | Division of Air Quality | .00 | .65. 1.97. |
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(e) Civil Penalties. - Civil penalties collected under this Part shall be credited to the Highway Fund as nontax revenue. The clear proceeds of all civil penalties, civil forefeitures, and civil fines that are collected by the Division pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

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

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

- Kinds of Violations. The civil penalty schedule established in this section applies (a) to safety self-inspectors, safety inspection stations, and safety inspection mechanics. The schedule categorizes safety violations into serious (Type I), minor (Type II), and technical (Type III) violations. A serious violation is a violation of this Part or a rule adopted to implement this Part that directly affects the safety or emissions reduction benefits of the safety inspection program. A minor violation is a violation of this Part or a rule adopted to implement this Part that reflects negligence or carelessness in conducting a safety inspection or complying with the safety inspection requirements but does not directly affect the safety benefits or emission reduction benefits of the safety inspection program. A technical violation is a violation that is not a serious violation, a minor violation, or another type of offense under this Part.
 - (b) Penalty Schedule. - The Division must take the following action for a violation:
 - (1) Type I. – For a first or second Type I violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the license of the business for 180 days. For a third or subsequent Type I violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of one thousand dollars (\$1,000) and revoke the license of the business for two years. For a first or second Type I violation within seven years by a safety inspection mechanic, assess a civil penalty of one hundred dollars (\$100.00) and suspend the mechanic's license for six months. For a third or subsequent Type I violation within seven years by a safety inspection mechanic, assess a civil penalty of two hundred fifty dollars (\$250.00) and revoke the mechanic's license for two years.
 - (2)Type II. For a first or second Type II violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of one hundred dollars (\$100.00). For a third or subsequent Type II violation within three years by a safety self-inspector or a safety inspection station, assess a civil penalty of two hundred fifty dollars (\$250.00) and suspend the license of the business for 90 days. For a first or second Type II violation within seven years by a safety inspection mechanic, assess a civil penalty of fifty dollars (\$50.00). For a third or subsequent Type II violation within

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- (3)Type III. For a first or second Type III violation within seven years by a safety self-inspector, a safety inspection station, or a safety inspection mechanic, send a warning letter. For a third or subsequent Type III violation within seven years by the same safety license holder, assess a civil penalty of twenty-five dollars (\$25.00).
- Station or Self-Inspector Responsibility. It is the responsibility of a safety inspection station and a safety self inspector to supervise the safety inspection mechanics it employs. A violation by a safety inspection mechanic is considered a violation by the station or self-inspector for whom the mechanic is employed. The Division may stay a term of suspension for a first occurrence of a Type I violation for a station if the station agrees to follow the reasonable terms and conditions of the stay as determined by the Division. In determining whether to suspend a first occurrence violation for a station, the Division may consider the supervision provided by the station over the individual or individuals who committed the violation, action that has been taken to remedy future violations, or prior knowledge of the station as to the acts committed by the individual or individuals who committed the violation, or a combination of these factors. The monetary penalty shall not be stayed or reduced.
- Multiple Violations in a Single Safety Inspection. If a safety self-inspector, a safety inspection station, or a safety inspection mechanic commits two or more violations in the course of a single safety inspection, the Division shall take only the action specified for the most significant violation.
- Multiple Violations in Separate Safety Inspections. In the case of two or more violations committed in separate safety inspections, considered at one time, the Division shall consider each violation as a separate occurrence and shall impose a separate penalty for each violation as a first, second, or third or subsequent violation as found in the applicable penalty schedule. The Division may in its discretion direct that any suspensions for the first, second, or third or subsequent violations run concurrently. If the Division does not direct that the suspensions run concurrently, they shall run consecutively. Nothing in this section shall prohibit or limit a reviewing court's ability to affirm, reverse, remand, or modify the Division's decisions, whether discretionary or otherwise, pursuant to Article 4 of Chapter 150B of the General Statutes.
- Mechanic Training. A safety inspection mechanic whose license has been (e) suspended or revoked must retake the course required under G.S. 20-183.4 and successfully complete the course before the mechanic's license can be reinstated. Failure to successfully complete this course continues the period of suspension or revocation until the course is completed successfully.

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

- Type I. It is a Type I violation for a safety self-inspector, a safety inspection station, or a safety inspection mechanic to do any of the following:
 - Issue a safety electronic inspection authorization to a vehicle without (1) performing a safety inspection of vehicle.
 - (2) Issue a safety electronic inspection authorization to a vehicle after performing a safety inspection of the vehicle and determining that the vehicle did not pass the inspection.
 - (3)Allow a person who is not licensed as a safety inspection mechanic to perform a safety inspection for a self-inspector or at a safety station.
 - (4) Sell, issue, or otherwise give an electronic inspection authorization to another, other than as the result of a vehicle inspection in which the vehicle passed the inspection.

| 1 | | | e. Outside rearview mirror. | | |
|----------|---|-----------------|--|--|--|
| 2 | | | f. Turn signals. | | |
| 3 | | | g. Parking lights. | | |
| 4 | | | h. Headlights – operation and lens. | | |
| 5 | | | i. Headlights – aim. | | |
| 6 | | | j. Stoplights. | | |
| 7 | | | k. Taillights. | | |
| 8 | | | 1. License plate lights. | | |
| 9 | | | m. Windshield wiper. | | |
| 10 | | | n. Windshield wiper blades. | | |
| 11 | | | o. Window tint. | | |
| 12 | | (10) | Impose no fee for a safety inspection of a vehicle or the issuance of a safety | | |
| 13 | | (10) | electronic inspection authorization or impose a fee for one of these actions in | | |
| 14 | | | an amount that differs from the amount set in G.S. 20-183.7. | | |
| 15 | (c) | Type | III. — It is a Type III violation for a safety self inspector, a safety inspection | | |
| 16 | | | y inspection mechanic to do any of the following: | | |
| 17 | 50001511, 51 | (1) | Fail to post a safety inspection station license issued by the Division. | | |
| 18 | | (2) | Fail to send information on safety inspections to the Division at the time or | | |
| 19 | | (-) | in the form required by the Division. | | |
| 20 | | (3) | Fail to post all safety information required by federal law and by the | | |
| 21 | | (0) | Division. | | |
| 22 | | (4) | Fail to put the required information on an inspection receipt in a legible | | |
| 23 | | (.) | manner using ink. | | |
| 24 | | (5) | Issue a receipt that is signed by a person other than the safety inspection | | |
| 25 | | (3) | mechanic. | | |
| 26 | | (6) | Repealed by Session Laws 2013-302, s. 3, effective October 1, 2013, and | | |
| 27 | | (0) | applicable to violations occurring on or after that date. | | |
| 28 | | (7) | Issue a safety electronic inspection authorization to a vehicle after having | | |
| 29 | | (,) | failed to inspect three or fewer of the following: | | |
| 30 | | | a. Emergency brake. | | |
| 31 | | | b. Horn. | | |
| 32 | | | e. Headlight high beam indicator. | | |
| 33 | | | d. Inside rearview mirror. | | |
| 34 | | | e. Outside rearview mirror. | | |
| 35 | | | f. Turn signals. | | |
| 36 | | | g. Parking lights. | | |
| 37 | | | h. Headlights operation and lens. | | |
| 38 | | | i. Headlights aim. | | |
| 39 | | | j. Stoplights. | | |
| 40 | | | k. Taillights. | | |
| 41 | | | 1. License plate lights. | | |
| 42 | | | m. Windshield wiper. | | |
| 43 | | | n. Windshield wiper blades. | | |
| 44 | | | 777' 1 | | |
| 44 | (d) | Other | O: Window tint. Acts. – The lists in this section of the acts that are Type I, Type II, or Type III | | |
| 46 | | | 7.2 7.2 | | |
| 40 47 | J J1 | | | | |
| 4/ | designate other acts that are a Type I, Type II, or Type III violation. | | | | |

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

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

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- 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 electronic inspection authorization or otherwise.
- (2) Allows an electronic inspection authorization to be issued to a vehicle owned or operated by that person, knowing that the vehicle was not inspected before the electronic inspection authorization was issued or was not inspected properly.
- (3) Issues an electronic inspection authorization on a vehicle, knowing or having reasonable grounds to know that an inspection of the vehicle was not performed or was performed improperly. A person who is cited for a civil penalty under G.S. 20-183.8B for an emissions violation involving the inspection of a vehicle may not be charged with an infraction under this subdivision based on that same vehicle.
- (4) Alters the original certified configuration or data link connectors of a vehicle in such a way as to make an emissions inspection by analysis of data provided by on-board diagnostic (OBD) equipment inaccurate or impossible.
- (b) Defenses to Infractions. Any of the following is a defense to a violation under subsection (a) of this section:
 - (1) The vehicle was continuously out of State for at least the 30 days preceding the date the electronic inspection authorization expired and a current electronic inspection authorization was obtained within 10 days after the vehicle came back to the State.
 - (2) The vehicle displays a dealer license plate or a transporter plate, the dealer repossessed the vehicle or otherwise acquired the vehicle within the last 10 days, and the vehicle is being driven from its place of acquisition to the dealer's place of business or to an inspection station.
 - (3) Repealed by Session Laws 1997-29, s. 5.
 - (4) The charged infraction is described in subdivision (a)(1) of this section, the vehicle is subject to a safety inspection or an emissions inspection and the vehicle owner establishes in court that the vehicle was inspected after the citation was issued and within 30 days of the expiration date of the inspection sticker that was on the vehicle or the electronic inspection authorization was issued to the vehicle when the citation was issued.
- (b1) A person who performs a safety inspection without a license, as required under G.S. 20-183.4, or an emissions inspection without a license, as required under G.S. 20-183.4A, is guilty of a Class 3 misdemeanor.
 - (c) Felony. A person who does any of the following commits a Class I felony:
 - (1) Forges an inspection sticker or inspection receipt.
 - (2) Buys, sells, issues, or possesses a forged inspection sticker or electronic inspection authorization.
 - (3) Buys, sells, issues, or possesses an electronic inspection authorization other than as the result of either of the following:
 - a. Having a license as an inspection station, a self-inspector, or an inspection mechanic and obtaining the electronic inspection authorization from the Division through an electronic authorization vendor in the course of business.
 - b. A vehicle inspection in which the vehicle passed the inspection or for which the vehicle received a waiver.
 - (4) Solicits or accepts anything of value in order to pass a vehicle that fails a safety or an emissions inspection.

1 (5) Fails a vehicle for any reason not authorized by law. 2 3 "§ 20-183.8C. Acts that are Type I, II, or III emissions violations. 4 Type I. – It is a Type I violation for an emissions self-inspector, an emissions 5 inspection station, or an emissions inspection mechanic to do any of the following: 6 Issue an emissions electronic inspection authorization on a vehicle without (1) 7 performing an emissions inspection of the vehicle. 8 Issue an emissions electronic inspection authorization to a vehicle after (1a) 9 performing an emissions inspection of the vehicle and determining that the 10 vehicle did not pass the inspection. 11 (2) Use a test-defeating strategy when conducting an emissions inspection by changing the emission standards for a vehicle by incorrectly entering the 12 13 vehicle type or model year, or using data provided by the on-board 14 diagnostic (OBD) equipment of another vehicle to achieve a passing result. Allow a person who is not licensed as an emissions inspection mechanic to 15 (3) perform an emissions inspection for a self-inspector or at an emissions 16 17 station. 18 (4) Sell, issue, or otherwise give an electronic inspection authorization to 19 another other than as the result of a vehicle inspection in which the vehicle 20 passed the inspection or for which the vehicle received a waiver. 21 Repealed by Session Laws 2013-302, s. 5, effective October 1, 2013, and (5) applicable to violations occurring on or after that date. 22 23 Perform a safety-only inspection on a vehicle that is subject to both a safety (6) 24 and an emissions inspection. 25 Repealed by Session Laws 2013-302, s. 5, effective October 1, 2013, and (7) 26 applicable to violations occurring on or after that date. Type II. – It is a Type II violation for an emissions self-inspector, an emissions 27 (b) 28 inspection station, or an emissions inspection mechanic to do any of the following: 29 Use the identification code of another to gain access to an emissions (1) 30 analyzer or to equipment to analyze data provided by on-board diagnostic 31 (OBD) equipment. 32 Keep compliance documents in a manner that makes them easily accessible (2) 33 to individuals who are not inspection mechanics. 34 (3) Issue a safety electronic inspection authorization or an emissions electronic 35 inspection authorization on a vehicle that is required to have one of the 36 following emissions control devices but does not have it: 37 Catalytic converter. a. 38 PCV valve. b. 39 Thermostatic air control. c. Oxygen sensor. 40 d. 41 Unleaded gas restrictor. e. 42 f. Gasoline tank cap or capless fuel system. 43 Air injection system. g. Evaporative emissions system. 44 h. Exhaust gas recirculation (EGR) valve. 45 Issue a safety electronic inspection authorization or an emissions electronic 46 (4) 47 inspection authorization on a vehicle without performing a visual inspection 48 of the vehicle's exhaust system and checking the exhaust system for leaks. 49 Impose no fee for an emissions inspection of a vehicle or the issuance of an (5) 50 emissions electronic inspection authorization or impose a fee for one of 51 these actions in an amount that differs from the amount set in G.S. 20-183.7.

General Assembly of North Carolina Issue an emissions electronic inspection authorization to a vehicle with a 1 (6)2 faulty Malfunction Indicator Lamp (MIL) or to a vehicle that has been made 3 inoperable. 4 Type III. – It is a Type III violation for an emissions self-inspector, an emissions (c) 5 inspection station, or an emissions inspection mechanic to do any of the following: 6 (1) Fail to post an emissions license issued by the Division. 7 Fail to send information on emissions inspections to the Division at the time (2) 8 or in the form required by the Division. 9 Fail to post emissions information required by federal law to be posted. (3) 10 (4) Repealed by Session Law 2007-503, s. 16, effective October 1, 2008. 11 (5) Fail to put the required information on an inspection receipt in a legible 12 manner. 13 Repealed by Session Laws 2007-503, s. 16, effective October 1, 2008. (6)14 (d) Other Acts. – The lists in this section of the acts that are Type I, Type II, or Type III 15 violations are not the only acts that are one of these types of violations. The Division may 16 designate other acts that are a Type I, Type II, or Type III violation. 17 "§ 20-183.8D. Suspension or revocation of license. 18 Safety. The Division may suspend or revoke a safety self-inspector license, a 19 safety inspection station license, and a safety inspection mechanic license issued under this Part 20 if the license holder fails to comply with this Part or a rule adopted by the Commissioner to 21 implement this Part. 22 Emissions. – The Division may suspend or revoke an emissions self-inspector 23 license, an emissions inspection station license, and an emissions inspection mechanic license 24 issued under this Part for any of the following reasons: 25 The suspension or revocation is imposed under G.S. 20-183.8B. (1) 26 (2) Failure to pay a civil penalty imposed under G.S. 20-183.8B within 30 days 27 after it is imposed. •••• 28 29 **SECTION 2.** G.S. 20-87 reads as rewritten: 30 "§ 20-87. Passenger vehicle registration fees. 31 These fees shall be paid to the Division annually for the registration and licensing of (a) 32 passenger vehicles, according to the following classifications and schedules: 33 34 (12)Low-Speed Vehicles. – The fee for a low-speed vehicle is the same as the 35 fee for private passengers passenger vehicles of not more than 15 passengers. Additional fee for certain electric vehicles. - At the time of an initial 36 (13)37 registration or registration renewal, the owner of a plug-in electric vehicle 38 that is not a low-speed vehicle and that does not rely on a nonelectric source 39 of power shall pay a fee in the amount of one hundred dollars (\$100.00) in 40 addition to any other required registration fees. 41 (b)

An additional fee of one dollar (\$1.00) is imposed on each vehicle registered under this section, in addition to the base fee and any other additional fee required. The revenue derived from this fee shall be distributed as follows:

45 Recipient Amount 46

47 Highway Fund .78 48 Volunteer Rescue/EMS Fund .13

.09." 49 Rescue Squad Workers' Relief Fund

50 **SECTION 3.** G.S. 20-88 is amended by adding a new subsection to read:

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"(b1) An additional fee of one dollar (\$1.00) is imposed on each vehicle registered under this section, in addition to the base fee and any other additional fee required. The revenue derived from this fee shall be distributed as follows:

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RecipientAmountHighway Fund.78Volunteer Rescue/EMS Fund.13Rescue Squad Workers' Relief Fund.09."

SECTION 4. G.S. 20-122.1(b) reads as rewritten:

"(b) The driver of any vehicle who is charged with a violation of this section shall be allowed 15 calendar days within which to bring the tires of such vehicle in conformance with the requirements of this section. It shall be a defense to any such charge that the person arrested produce in court, or submit to the prosecuting attorney prior to trial, a certificate from an official safety inspection equipment station showing that within 15 calendar days after such arrest, the tires on such vehicle had been made to conform with the requirements of this section or that such vehicle had been sold, destroyed, or permanently removed from the highways. Violation of this section shall not constitute negligence per se."

SECTION 5. G.S. 20-127(d) reads as rewritten:

- "(d) Violations. A person who does any of the following commits a Class 3 misdemeanor:
 - (1) Applies tinting to the window of a vehicle that is subject to a safety inspection in this State and the resulting tinted window does not meet the window tinting restrictions set in this section.
 - (2) Drives on a highway or a public vehicular area a vehicle that has a window that does not meet the window tinting restrictions set in this section."

SECTION 6. G.S. 58-88-5(a) reads as rewritten:

"(a) The "Rescue Squad Workers' Relief Fund" is created. It consists of the revenue credited to the Fund under G.S. 20-183.7(e)G.S. 20-87 and G.S. 20-88 and shall be used for the purposes set forth in this Article."

SECTION 7. The Division of Motor Vehicles, with the assistance of the Department of Environment and Natural Resources, Division of Air Quality, shall develop and implement a management improvement plan to increase efficiency, reduce costs, and improve customer service for the motor vehicle Emissions Inspection Program authorized by Article 3A of Chapter 20 of the General Statutes and administered by the Division of Motor Vehicles. The plan shall include:

- (1) Reviews on how inspection program data is managed and analyzed.
- (2) Performance metrics for program assessment as defined by the Division and the Office of State Budget and Management.
- (3) An assessment of the types of reports that would be most useful to agencies, including field staff and management, the General Assembly, industry personnel, the Environmental Protection Agency, and the public.
- (4) A roadmap for how program information will be collected, analyzed, monitored, and presented.
- (5) Appropriate allocation of personnel and resources to accomplish program oversight.

The plan shall meet both federal and State reporting requirements.

SECTION 8. The Division of Motor Vehicles shall present the management improvement plan for the motor vehicle Emissions Inspection Program, authorized by Article 3A of Chapter 20 of the General Statutes, to the Joint Legislative Transportation Oversight Committee and the Joint Environment and Natural Resources Oversight Committee no later

than December 31, 2015. The Division of Motor Vehicles shall report annually to the Joint Legislative Transportation Oversight Committee, not later than January 15 of each year. The reports shall include data on the prior fiscal year and any recommended legislation that will increase efficiency, reduce costs, and improve customer service.

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SECTION 9. The Fiscal Research Division of the General Assembly shall conduct a fiscal review of the Motor Vehicle Emissions Inspection program. The fiscal review shall include:

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(1) A determination of whether the fees charged for inspections is adequate.

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(2) An assessment of revenue projections.

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(3) A determination of whether adjustments need to be made to current inspection fees.

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(4) A proposal for how inspection fees should be determined.

13 14 (5) An assessment of how inspection program budgets are planned and what changes are needed to improve efficiency.

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The Fiscal Research Division of the General Assembly shall report its findings to the Joint Legislative Transportation Oversight Committee, the Joint Environment and Natural Resources Oversight Committee, the Joint Program Evaluation Oversight Committee, and the Program Evaluation Division of the General Assembly no later than May 1, 2016.

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SECTION 10. Sections 1, 2, and 3 of this act become effective October 1, 2015, and apply to motor vehicles inspected or registered on or after that date. The remainder of this act is effective when it becomes law.