

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 260 (2nd Edition)

SHORT TITLE: Modify Emissions Inspection Laws

SPONSOR(S): Senator Odom, et al

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

GENERAL FUND

Expenditures

Department of Corrections
Judicial Branch

No Estimate Available
No Estimate Available

LOCAL GOVERNMENT

Revenues

Emissions Infraction Penalties

Annual Loss Under \$10,000

HIGHWAY FUND

Expenditures

Motor Vehicle
Exhaust Emission
Inspection Program

Annual Expenditures of \$20,000

Revenues

Emissions Civil Penalties

No Impact

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Division of Motor Vehicles
Department of Corrections
Judicial Branch
Local Governments

EFFECTIVE DATE: Felony changes are effective for offenses committed on or after Nov. 1, 1997. All other changes effective July 1, 1997.

BILL SUMMARY: Makes several changes to G.S. Chapter 20 Article 3A (safety and emissions inspections). (1) Revises qualifications for station license for safety or emissions inspections by requiring designated person to be in charge of day-to-day operations and allowing a license applicant to operate a place of business covered by a suspended or revoked station license only with approval of DMV. (2) Allows DMV to issue one-way trip permit allowing person whose inspection permit has expired to drive the vehicle to an inspection station. (3) Revises record-keeping requirements of businesses that replace windshields when the business replaces windshield that has an inspection sticker on it or the business is registered to conduct inspections. (4) Requires collection of fees when a fee applies to a vehicle inspection. (5) Provides that a person cited under GS 20-183.8B for an emission violation involving the inspection of a vehicle may not be charged with an infraction under GS 20-183.8(a)(3) for improperly putting an inspection sticker on the same vehicle. (6) Eliminates as a defense to a violation of inspection requirements under GS 20-183.8B that the vehicle was in disrepair when the inspection sticker expired and the owner only drove the vehicle after it was repaired to get an inspection. (7) Makes forgery of an inspection sticker and related acts a class I felony. (8) Shortens the period of time during which a third violation by an emissions license holder would result in a higher civil penalty from seven to three years . (9) Provides that violation by emissions inspector mechanic, whether a type I, II, or III emission violation, is a violation of the station or self-inspector. (10) Provides that an emissions inspection mechanic whose license has been suspended or revoked must retake the course required under GS 20-183.4A. (11) Expands the grounds for finding a type II or III emissions violation. (12) Specifies the grounds for suspending or revoking an emissions inspection license. (13) Sets forth the procedures for a DMV auditor to charge an emissions violation. (14) Revises the administrative and judicial review procedures when DMV denies an inspection license, suspends or revokes a license, or takes related actions.¹

ASSUMPTIONS AND METHODOLOGY:

General Fund

Section 5 of the proposed act adds two types of emissions sticker-related offenses that constitute a Class I felony. Under current law, the only emissions sticker-related offense that constitutes a felony is the forging of an emissions sticker. The proposed act makes buying, selling, or possessing an emissions sticker that is forged or obtained in an improper manner a felony as well. The Administrative Office of the Courts (AOC) is unable to estimate the impact that the proposed act would have on the Judicial Branch, and consequently on the Department of Corrections. AOC is unable to estimate the number of defendants who could be charged with the new felonies because the offenses that would be felonies under the proposed act are not currently violations of State law. Although AOC is unable to provide a specific estimate, there may be a fiscal impact on the Judicial Branch and Department of Corrections due to the proposed act.

¹ Based on Institute of Government Bill Summary

Local Governments

Section 5 of the proposed act prohibits a station or mechanic from being charged with an infraction for a violation of emissions law for which the station or mechanic also has been cited for a civil penalty. Under State law, penalties imposed for infractions are allocated to the public school system of the county in which the case was adjudicated. DMV reports that there were 814 cases of safety/emissions infractions during 1996, for which \$9,806 in penalties and court costs were levied and collected. DMV cannot determine how much of this amount was related emissions infractions versus safety infractions. Nor can it determine what portion of the infractions duplicated civil penalties, or how much of the amounts levied were penalty revenue as opposed to court costs. As a result, it can only be estimated that less than \$10,000 in revenue would be lost as a result of the provision of the proposed act prohibiting emissions infractions that duplicate civil penalties.

Highway Fund

Section 10 of the proposed act would increase the expenditures of the Division of Motor Vehicles' Enforcement Section that are funded under the Motor Vehicle Exhaust Inspection budget. This budget is entirely funded by the fees collected from the sale of emission inspection stickers to service stations. The proposed act would revise the procedures for administrative review of sanctions imposed under the emissions inspection process. Under the proposed act, persons accused of violations may request a hearing by DMV concerning the charges. The hearing must be conducted within 3 days of the request (as opposed to 14 days under current law). Under the current law, DMV holds hearings throughout the State because it has sufficient lead time to schedule them at various locations. In order to comply with the 3 day requirement, DMV plans to hold all hearings in Raleigh. This will require more travel on the part of DMV emissions inspectors, who will need to travel from around the State to Raleigh. Based on the number of hearings requested during 1996, DMV estimates that the following number of hearings will be generated by violations in each of the locations listed below with the round-trip distance of the location from Raleigh:

	<u>Number of Hearings</u>	<u>Round-Trip Miles To Raleigh</u>
Charlotte	100	286
Gastonia	30	326
Winston-Salem	30	208
Greensboro	20	146

At an average rate per mile of \$0.285 (based on 1997-98 motor fleet rates), the number of hearings multiplied by the number of miles yields travel costs of \$13,548. For each hearing, a half-day of employee subsistence would be required. At \$35.50 per half-day, this would result in total subsistence costs of \$6,390. Based on these figures, approximately \$20,000 in travel and subsistence expenditures would occur as inspectors travel to and from Raleigh for hearings.

Although the proposed act makes changes to the types of offenses that result in various levels of violation of emissions laws, these changes will not affect the amount of civil penalty revenue generated from the violations. The changes made by the proposed act are designed to clarify which level of violation should be assigned to each violation of the emissions inspection requirements. The current law leaves room for interpretation in this area. The clarifications made by the proposed reflect current DMV practices in the enforcement of the emissions laws. As such, the number and types of civil penalties should not change under the proposed act.

TECHNICAL CONSIDERATIONS: None.

FISCAL RESEARCH DIVISION

733-4910

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