

HB 1560-FN - AS INTRODUCED

2026 SESSION

26-2308

06/08

HOUSE BILL ***1560-FN***

AN ACT relative to annual motor vehicle inspection standards and reinstatement.

SPONSORS: Rep. Leishman, Hills. 33; Rep. Grote, Rock. 24; Rep. Cloutier, Sull. 6

COMMITTEE: Transportation

ANALYSIS

This bill reenacts the motor vehicle inspection standards that were repealed in 2025, 141:254-256.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to annual motor vehicle inspection standards and reinstatement.

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

1 1 Administrative Review of Sanctions Against Inspections Stations. RSA 260:6-a is reenacted to
2 read as follows:

3 260:6-a Administrative Review of Sanctions Against Inspection Stations. In all cases in which a
4 sanction is imposed by a hearings officer against an official inspection station for violation of the
5 rules relative to inspection stations and the sanction involves a loss of inspection privileges for a
6 period of greater than 20 days, any party aggrieved by the decision may, prior to seeking the
7 remedies provided in RSA 541, request administrative review of the decision by the commissioner or
8 his designee. The commissioner or his designee shall affirm or modify such sanction as justice may
9 require.

10 2 Point System for Automobile Dealer and Inspection Station Violations. RSA 260:6-b is
11 reenacted to read as follows:

12 260:6-b Point System for Automobile Dealer and Inspection Station Violations.

13 I. The director of motor vehicles may adopt rules pursuant to RSA 260:5 to establish 2
14 different uniform point systems for separately identifying automobile dealers and inspection stations
15 that have violated the provisions of this title or rules adopted under this title. The rules shall
16 include a designated level of point accumulation that so identifies automobile dealers and inspection
17 stations.

18 II. The director may assess points for violations of this title or rules adopted pursuant to this
19 title that have been found by a court of law or a hearing officer to have been violated. Notice of the
20 assessment of points shall be given in accordance with the rules adopted by the director.

21 III. In the case of a conviction or finding against a dealer or inspection station of 2 or more
22 violations committed on a single occasion, such dealer or inspection station shall be assessed points
23 for one offense only, under each separate point system if the same entity holds both a dealer's
24 registration, license, or privileges, and inspection station privileges. If the offenses have different
25 point values, the dealer or inspection station shall be assessed for the offense having the greater
26 point value.

27 IV. The director may suspend or revoke the dealer's registration, license, or privileges, or in
28 the case of an inspection station the inspection station privileges, in accordance with the rules
29 adopted under this section. The rules shall provide a mechanism for reduction of points for a dealer
30 or inspection station that has completed a training course approved by the director.

1 V. The director may distinguish between larger and smaller dealers and inspection stations
2 in establishing the point system. For the purposes of the point system established under this
3 section, an inspection station may not be liable for violations committed by an individual mechanic if
4 the mechanic deliberately commits an action that is contrary to the law, the rules of the department,
5 or the policies and procedures of the station.

6 VI. Both point systems authorized under this section shall only count points for violations
7 committed within the 3 most recent calendar years and shall only count violations that are
8 committed on or after the effective date of the rules adopted under this section.

9 3 Inspection Authorized. RSA 266:1 is reenacted to read as follows:

10 266:1 Inspection Authorized.

11 I. The director may require the inspection of any vehicle, except an OHRV, snowmobile,
12 moped, roadable aircraft, or any other vehicle exempted under this chapter, to determine whether it
13 is fit to be driven. Such inspection shall be made at such times and in such manner as the director
14 may specify, subject to the requirements set forth in this section.

15 II. Any vehicle registered under this title, except an OHRV, snowmobile, moped, roadable
16 aircraft, or other exempt vehicle, shall be inspected once a year, during the month in which the birth
17 date of the owner is observed, if the owner is a natural person. An inspection sticker shall be valid
18 for the same duration as the vehicle's registration, which shall not exceed 16 months. If the month
19 in which the anniversary of the owner's birth occurs will be one of the next 4 months, an inspection
20 sticker may be issued, with an expiration date of the birth month in the following year, of the first
21 person named on the title application. Nothing in this paragraph shall require any person who has
22 registered and had inspected a vehicle with temporary plates to have the vehicle reinspected upon
23 receipt of permanent motor vehicle plates. An inspection sticker shall not expire when a vehicle is
24 transferred to a licensed dealer.

25 II-a. Notwithstanding RSA 266:1, II, if the month in which the anniversary of the owner's
26 birth occurs will be one of the next 4 months, and the vehicle owner provides written verification of
27 absence from New Hampshire during the entire anniversary month, an inspection sticker may be
28 issued, with an expiration date of the birth month in the following year, of the first person named on
29 the title application.

30 III. If the owner of the vehicle is a company or corporation or other than a natural person,
31 the annual inspection shall be made during the month designated by the director as the registration
32 month for such legal entity. Vehicles registered as antique motor vehicles and antique motorcycles
33 and which are 40 years old and over shall be inspected biennially. Antique motor vehicles and
34 custom vehicles shall be inspected in the month of May. Without regard to the owner's birth date or
35 registration month, motorcycles, autocycles, and recreational vehicles shall be inspected annually by
36 July 1.

1 IV. Notwithstanding paragraphs II and III, newly registered vehicles, other than vehicles
2 transferred to a licensed dealer, OHRVs, snowmobiles, mopeds, roadable aircraft, and vehicles, other
3 than vehicles transferred to a licensed dealer, OHRVs, snowmobiles, mopeds, and roadable aircraft,
4 the ownership of which has been transferred, shall be inspected not later than 10 days after the
5 registration or transfer of ownership of said vehicle. However, if a new vehicle is purchased at retail
6 from a licensed dealer, as defined in RSA 259:18, the vehicle shall be inspected not later than 20
7 days after the date of transfer. A used vehicle for which a dealer has issued a 20-day plate pursuant
8 to RSA 261:109 shall be inspected by the dealer or an authorized inspection station on behalf of the
9 dealer at the time of the attachment of the plate unless a valid inspection sticker issued by the
10 dealer is in place, in which case the vehicle shall be inspected within 20 days or before the sticker
11 expires, whichever occurs first. All other expired motor vehicle inspections shall be subject to the 10-
12 day grace period in RSA 266:5.

13 V. The director may authorize properly qualified persons to make inspections without
14 expense to the state at stations designated by the director and may at any time revoke such
15 authorization or designation; provided, however, that inspections conducted at such stations at the
16 request and under the direction of a police officer or a state trooper or authorized employee of the
17 department of safety shall be paid for as follows:

18 (a) In the event violations of this section are uncovered, by the owner of the vehicle.

19 (b) In the event no such violations are uncovered, by the agency represented by the
20 police officer or state trooper or authorized employee of the department of safety.

21 The biennial fee to be paid by the inspection station upon authorization to make inspections
22 shall be \$50 and shall not be refundable nor prorated; however, applications submitted during the
23 second year of the license cycle shall be subject to a fee of only \$25.

24 V-a. An inspection station may, upon request, be designated a "motorcycle only" inspection
25 station. A "motorcycle only" inspection station may inspect only motorcycles and shall not be
26 required to conduct OBD II emission testing under RSA 266:59-b or to purchase or lease any
27 equipment relating to the OBD II emission testing program.

28 VI. Except as provided in paragraph XII, each inspection station shall conspicuously post on
29 its premises a notice, in a form and size approved by the director, indicating that the station is an
30 authorized inspection station.

31 VII. Except as provided in paragraph XII, each inspection station shall conspicuously post
32 on the outside of the building a sign showing the inspection fee charged and the additional fee
33 charged for OBD II testing under RSA 266:59-b. No inspection station shall include the cost of OBD
34 II testing or reporting in the inspection fee charged for a vehicle not subject to the OBD II
35 requirements under RSA 266:59-b.

36 VII-a.(a) The director is authorized to require inspection stations to submit inspection data
37 to the department electronically, provided that if electronic submission is required, the following

1 inspection stations shall be allowed to submit inspection data electronically or on a designated
2 schedule and form prescribed by the department:

- 3 (1) Inspection stations that are authorized to inspect only motorcycles.
- 4 (2) [Repealed.]
- 5 (3) Fleet motor vehicle inspection stations for non-OBD II vehicles.
- 6 (4) Municipal and county government inspection stations.

7 (b) The department shall not require an inspection station to transfer inspection
8 information electronically for any vehicle of model year 1995 or older.

9 VIII. A new vehicle that has been delivered in this state with a certificate of origin in the
10 form prescribed by the director is exempt from the inspection requirements contained in this section
11 until it is sold at retail. Upon retail sale of such a vehicle, the owner shall be required to have the
12 vehicle inspected pursuant to paragraph IV and as provided in this section and the rules adopted
13 under this chapter.

14 IX. Notwithstanding any other provisions of this section to the contrary, all school buses
15 exceeding 10,000 pounds gross vehicle weight shall be inspected semiannually. The month for the
16 first inspection shall be the month in which the birth date of the owner is observed, if the owner is a
17 natural person; if the owner is other than a natural person, the first inspection shall be conducted
18 during the month designated by the director as the registration month for such legal entity. In
19 either case, the second inspection shall be 6 months later.

20 X. The director may authorize properly qualified persons to inspect any motor vehicle,
21 except an OHRV, snowmobile, moped, roadable aircraft, or any other vehicle exempted under this
22 chapter, that has been involved in a fatal accident or an accident involving serious bodily injury as
23 defined in RSA 625:11, VI, to determine whether the vehicle was in compliance with state inspection
24 requirements.

25 XI.(a) The department may impose an administrative fine upon any inspection station for
26 any violation of an inspection law or rule adopted under the provisions of this chapter. The
27 authority to impose such a fine shall be in addition to any other remedy or penalty that may be
28 imposed, but in no event shall the department impose both a fine and a suspension of inspection
29 privileges in the same proceeding. The maximum amounts of the fines that may be assessed shall be
30 as follows:

- 31 (1) For the first violation, \$250.
- 32 (2) For the second violation, \$500.
- 33 (3) For the third violation, \$750.
- 34 (4) For the fourth violation, \$1,000.
- 35 (5) For 5 or more violations, \$2,000.

36 (b) No fine shall take effect unless approved by the commissioner. The commissioner
37 shall have the authority to modify the amount of the fine assessed.

1 XII. The director may authorize as an inspection station a mobile service garage that is
2 contracted with employers, provided:

3 (a) Inspections may only be performed while the mobile service garage is on an
4 employer's premises.

5 (b) While the mobile service garage is on an employer's premises, inspections are
6 performed solely on vehicles registered to employees of the contracted employer or registered to the
7 employer.

8 (c) Each inspection station authorized pursuant to this section shall conspicuously post,
9 in a form and size approved by the director, on its vehicle or trailer indicating that it is an
10 authorized inspection station.

11 (d) Each inspection station authorized pursuant to this paragraph shall conspicuously
12 post on the outside of its vehicle or trailer a sign showing the inspection fee charged and the
13 additional fee charged for OBD II testing under RSA 266:59-b. No inspection station authorized
14 pursuant to this paragraph shall include the cost of OBD II testing or reporting in the inspection fee
15 charged for a vehicle not subject to the OBD II requirements under RSA 266:59-b.

16 4 State Police Duties Relative to Vehicle Inspection. RSA 266:1-a is reenacted to read as
17 follows:

18 266:1-a State Police Duties Relative to Vehicle Inspection.

19 I. The director of the division of state police, with the approval of the commissioner of safety
20 shall assign a suitable complement of state troopers to assist the director of motor vehicles in
21 enforcing the motor vehicle inspection laws and rules. A state trooper assigned pursuant to this
22 section shall have the powers of a peace officer, certified under RSA 106-L:5, V, and shall have as a
23 primary function statewide enforcement duties related to the inspection process, including
24 inspection station auditing, investigation of alleged inspection station malfeasance, rejected vehicle
25 follow-up, and sticker monitoring. A state trooper assigned under this section shall have the
26 authority to enter any motor vehicle inspection station authorized under RSA 266:1, during the
27 station's business hours, to fulfill his or her duties, and shall be assigned other enforcement duties
28 as determined by the commissioner.

29 II. The commissioner shall furnish suitable equipment to a state trooper, as the
30 commissioner deems necessary, to carry out his or her duties under this section.

31 5 Inspection of Trailers, Exemptions. RSA 266:1-b is reenacted to read as follows:

32 266:1-b Inspection of Trailers, Exemptions.

33 I. Notwithstanding any law or rule to the contrary, trailers of 10,000 pounds or less gross
34 vehicle weight rating not used in interstate commerce shall be exempt from periodic vehicle
35 inspection requirements but shall be subject, as other vehicles are, to periodic roadside inspection by
36 law enforcement officers to determine that they have the proper required and fully functional safety
37 equipment.

1 II. The director may authorize properly qualified dealers holding utility dealer registrations
2 to inspect trailers of more than 10,000 pounds gross vehicle weight to determine whether they are fit
3 to be driven, and to issue inspection stickers under rules adopted for this purpose pursuant to RSA
4 541-A. This section shall not apply to full trailers as defined in RSA 259:37-a or semi-trailers as
5 defined in RSA 259:98 and shall not prohibit other official inspection stations from inspecting
6 trailers.

7 6 Fees. RSA 266:2 is reenacted to read as follows:

8 266:2 Fees. The fee for inspection stickers shall be \$3.25 for each sticker furnished by an
9 approved inspection station. The division shall transfer \$.25 of each fee collected under this section
10 to the motor vehicle air pollution abatement fund established by RSA 125-S:3 and \$.25 of each fee
11 collected under this section to the general fund. All unused stickers returned by the approved
12 inspection station to the division shall be refundable at the rate of \$3.25 each, except that unused
13 stickers purchased from the division for a fee of \$2.50 shall be refundable at the rate of \$2.50 each.

14 7 Inspection of Spare Tires Prohibited. RSA 266:3 is reenacted to read as follows:

15 266:3 Inspection of Spare Tires Prohibited. Notwithstanding the provisions of RSA 266:1, the
16 director may not authorize the inspection of any tire carried as a spare tire by any vehicle.

17 8 Rust. RSA 266:3-a is reenacted to read as follows:

18 266:3-a Rust.

19 The director shall establish a procedure for the external visual examination for rust of private
20 passenger vehicles and light trucks during the inspection required by RSA 266:1. The procedure
21 shall include requirements for further examination if substantial rust is observed. No private
22 passenger vehicle or light truck shall pass the inspection requirements of RSA 266:1 if the procedure
23 reveals any of the following:

24 I. Rust that permits exhaust gases to enter the passenger or cargo compartment.

25 II. Any metal or any loose or dislocated parts protruding from the surface of the vehicle so as
26 to create a hazard.

27 III. A bumper that is rusted so that it is not firmly attached or that has broken or torn
28 portions protruding from the surface so as to create a hazard.

29 IV. A frame that is not in solid condition.

30 9 Repair of Defective Equipment. RSA 266:4 is reenacted to read as follows:

31 266:4 Repair of Defective Equipment. If a so-called defective equipment tag is issued for a
32 vehicle under the authority of RSA 266:1, such tag shall provide a minimum period of 72 hours in
33 which the owner of such vehicle is required to repair the defect specified in said tag.

34 10 Penalty for Failing to Obey Inspection Requirements. RSA 266:5 is reenacted to read as
35 follows:

36 266:5 Penalty for Failing to Obey Inspection Requirements. The driver or owner of any motor
37 vehicle failing to comply with the requirements of the director relative to inspection shall be guilty of

1 a violation, and the director may refuse to register, or may suspend or revoke the registration of, any
2 motor vehicle, trailer, or semi-trailer that has not been inspected as required or that is unsafe or
3 unfit to be driven; provided, however, no person shall be charged with a violation of this section until
4 a period of 10 days has elapsed from the date the inspection was due. It shall be a rebuttable
5 presumption that a vehicle that is required to be inspected is in violation of this section if the vehicle
6 fails to display a valid inspection sticker. This section shall not apply to those vehicles required to be
7 inspected under the provisions of RSA 266:1, IV. The fine for a violation of this section shall be \$60.

8 11 Driving of Uninspected Vehicles. RSA 266:6 is reenacted to read as follows:

9 266:6 Driving of Uninspected Vehicles.

10 I. The director is hereby authorized to design and issue, under such rules and procedures as
11 he or she shall deem appropriate, a permit to allow the driving of an uninspected vehicle from its
12 location to an inspection station where, for good cause shown, the person requesting such permit has
13 been unable to comply with the director's rules relating to inspection.

14 II. The director may provide a telephonic or electronic process whereby a transporter may be
15 issued a special permit to allow the movement of an unladen and uninspected semi-trailer to a
16 disposal facility, a salvage inspection station, or another temporary or permanent location during
17 daylight hours only. The permittee shall certify that the vehicle is of sufficient structural soundness
18 to support the move, and the braking ability of the combination conforms with the provisions of RSA
19 266:28. The combination shall be equipped with working directional signals, stop lamps, and tail
20 lamps visible from the rear through the use of a light bar or other means.

21 III. A licensed New Hampshire dealer who purchases an uninspected used vehicle may
22 operate such vehicle from its location at the time of the sale to the dealer's place of business within
23 24 hours of the date of purchase of such vehicle as shown on the bill of sale, provided that the vehicle
24 is safe for road use.

25 IV. A licensed New Hampshire repairer may operate a currently registered, uninspected
26 vehicle from a customer's location to the repairer's place of business within 24 hours of obtaining a
27 repair order for the vehicle signed by the registered owner, provided that the vehicle is safe for road
28 use.

29 12 Sales of Unsafe Vehicles. RSA 266:8 is reenacted to read as follows:

30 266:8 Sales of Unsafe Vehicles. A dealer selling a vehicle at retail which, in his judgment, is
31 unsafe for driving upon the ways of this state shall destroy any inspection sticker applied to the
32 windshield thereof and shall, within 5 days after said sale, file with the department notice of said
33 sale on a form provided by the director and signed by both the purchaser and dealer. A copy of said
34 notice shall be retained by the dealer, and a copy shall be delivered to the purchaser.

35 13 Emission Control Equipment. RSA 266:59-b is reenacted to read as follows:

36 266:59-b Emission Control Equipment.

1 I.(a) Every motor vehicle driven on the ways of this state that is subject to inspection under
2 this chapter shall be equipped with all of the emission control equipment that was part of that motor
3 vehicle as originally equipped, and such equipment shall be properly connected to prevent excessive
4 emissions. Motor vehicle inspections conducted in accordance with this chapter shall include a
5 visual check for the presence and proper connection of the following equipment on vehicles so
6 equipped:

7 (1) Catalytic converter.

8 (2) Gas cap.

9 (3) Evaporative purge canister.

10 (4) Positive crankcase ventilation (PCV) valve and properly configured hoses.

11 (5) Properly connected air injection pump/pulse air systems.

12 (b) The commissioner of the department of safety, in accordance with applicable federal
13 laws and regulations, and in consultation with the commissioner of environmental services, may
14 adopt rules under RSA 541-A to exempt vehicles from those requirements of this section that would
15 require replacement of parts for which replacements cannot be reasonably obtained.

16 (c) The commissioner of the department of safety, subject to conditions approved in
17 advance by the federal Environmental Protection Agency (EPA), and after public hearing and
18 consultation with the commissioner of the department of environmental services and the air
19 pollution advisory committee, and notification of the house science, technology, and energy
20 committee and the senate environment committee, and with the approval of the air pollution
21 advisory committee, may modify the vehicle emission control inspection program by substituting the
22 exhaust gas recirculation system for one or more of the items in subparagraphs I(a)(4) and I(a)(5),
23 provided that the total effect of such change is determined to produce a net environmental
24 improvement.

25 II. [Repealed.]

26 III. The commissioner, after public hearing and consultation with the commissioner of the
27 department of environmental services and the air pollution advisory committee, and notification of
28 the house science, technology, and energy committee and the senate environment committee, and
29 with the approval of the air pollution advisory committee, shall adopt rules under RSA 541-A, which
30 require motor vehicles equipped with an on-board diagnostic system meeting federal EPA OBD II
31 (On-Board Diagnostics) standards that are driven on the ways of this state and which are subject to
32 inspection under this chapter, after a date specified by the commissioner, to be tested for OBD II
33 indications of failures as a component of the inspection. Vehicles subject to this requirement shall
34 include model year 1997 and newer diesel-powered motor vehicles and model year 1996 and newer
35 motor vehicles powered by any other fuel source. To the extent allowed by EPA OBD II policy, OBD
36 II data may be substituted for visual and functional tests required by paragraph I.

1 IV. This section shall not apply to vehicles 20 or more model years old, which shall be
2 determined by subtracting the model year of the vehicle from the calendar year in which the
3 inspection occurs, or to vehicles determined by the director to be rare or historically significant.

4 V. If a vehicle fails the EPA OBD II test and it passes all other inspection requirements
5 under this chapter, then it shall be issued a temporary waiver that permits its operation for 60 days
6 from the date of issuance in order to make required repairs. A vehicle shall be eligible for only one
7 such waiver during its inspection cycle. The department shall adopt rules, pursuant to RSA 541-A,
8 that have the effect of establishing the broadest possible waivers for consumers consistent with 40
9 C.F.R. sections 51.350 through 51.373. It is the intent of the legislature to provide appropriate
10 waivers to persons for whom the making of OBD II repairs would constitute economic hardship. The
11 committee established in paragraph VII shall make recommendations for such waivers, and the
12 department shall consider such recommendations during the rulemaking process required by this
13 paragraph.

14 VI. If a vehicle fails the EPA OBD II test and the owner fails to make the required repairs,
15 the owner may not sell the vehicle without informing the purchaser of the OBD II failure. If the
16 owner fails to inform the purchaser of the OBD II failure, the purchaser shall be entitled to a refund
17 of the purchase price and reasonable attorney's fees.

18 VII.(a) There is established an OBD II testing advisory committee. The committee shall be
19 composed of the following:

- 20 (1) Two representatives, appointed by the speaker of the house of representatives.
- 21 (2) One senator, appointed by the president of the senate.
- 22 (3) The director of the division of motor vehicles of the department of safety, or
23 designee.
- 24 (4) [Repealed.]
- 25 (5) The commissioner of environmental services, or designee.
- 26 (6) One member nominated by the New Hampshire Automobile Dealers Association
27 and appointed by the governor.

28 (b) Members' terms shall be coterminous with their terms in office, except that the
29 member appointed pursuant to subparagraph (a)(6) shall serve at the discretion of the appointing
30 authority.

31 (c) The committee shall:

- 32 (1) Review and make recommendations on any contracts between the state and any
33 private entities relating to OBD II testing.
- 34 (2) Review program operations on any contracts between the state and any private
35 entities relating to OBD II testing.
- 36 (3) Make recommendations for statutory and rules changes to the amounts and
37 types of repair waivers granted in the OBD II testing program.

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1 (4) Meet at least annually and more often as needed.

2 (5) Submit a report at least biennially or as needed to the governor, senate
3 president, and speaker of the house of representatives by November 1st of odd-numbered years on
4 the operation of the motor vehicle inspection and emissions testing program.

5 14 Emergency and Warning Lights; Duties of Official Inspection Stations. RSA 266:78-o is
6 reenacted to read as follows:

7 266:78-o Emergency and Warning Lights; Duties of Official Inspection Stations.

8 I. Official inspection stations shall not issue an inspection sticker to a vehicle equipped with
9 emergency lights or warning lights except as authorized in this subdivision. No permit shall be
10 required for such lights if equipped in accordance with this subdivision.

11 II. Public safety and emergency medical personnel presenting their privately owned vehicles
12 for inspection shall present to the person conducting the inspection an official departmental photo
13 identification or an official identification card or badge from their department. A letter on official
14 stationery from their employer signed by the head of the organization authorizing the lights shall be
15 carried in the vehicle and displayed to any law enforcement officer upon request. Failure to display
16 such authorization shall be prima facie evidence that the vehicle was equipped in violation of this
17 subdivision.

18 III. The commissioner of safety, by rule adopted pursuant to RSA 541-A, may determine the
19 location and method of use of emergency lights and warning lights.

20 15 Amend RSA 266:1, VIII to read as follows:

21 VIII. A new vehicle which has been delivered in this state with a certificate of origin in the
22 form prescribed by the director is exempt from the inspection requirements contained in this section
23 until it is sold at retail. Upon retail sale of such a vehicle, the owner shall be ~~[required to have]~~
24 ***exempt from*** the vehicle ~~[inspected pursuant to paragraph IV and as provided]~~ ***inspection***
25 ***requirements*** in this section and the rules adopted under this chapter ***for a period not to exceed***
26 ***more than 3 years.***

27 16 Repeal. The following are repealed:

28 I. 2025, 141:254, relative to altering the emissions testing program.

29 II. 2025, 141:255, relative to the contingency section related to altering the emissions testing
30 program.

31 III. 2025, 141:256, II, relative to the contingency section effective date.

32 17 Effective Date.

33 I. Section 11 of this act shall take effect January 1, 2027, at 12:01am.

34 II. The remainder of this act shall take effect January 1, 2027.

**HB 1560-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to annual motor vehicle inspection standards and reinstatement.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	Approximately \$2,500,000	Approximately \$5,000,000 Per Year	
<i>Revenue Fund(s)</i>	General Fund, Highway Fund, and Motor Vehicle Air Pollution Abatement Fund			
Expenditures*	\$0	<u>DMV Positions</u> \$114,000 in FY 2027 and \$144,000 in FY 2028 <u>Apportionment A Payments to Municipalities</u> Approximately \$246K in FY 2028 and \$492K in FY 2029		
<i>Funding Source(s)</i>	Highway Fund and Restricted - Highway Fund Cost of Collections - Per the state constitution, costs associated with the collection/administration of highway fund revenue by the Department of Safety is deducted prior to funds being credited as unrestricted highway fund revenue			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

Estimated Political Subdivision Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Local Revenue	\$0	\$0	Approximately \$246,000	Approximately \$492,000
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill, effective January 1, 2027, reenacts and updates multiple sections of RSA 260 and RSA 266 relating to vehicle inspection requirements. Under the proposed language, most vehicles would remain subject to annual inspection, however, newly purchased vehicles would be exempt from inspection requirements for up to three years from the date of retail sale, as specified in the amended RSA 266:1, VIII.

This bill reenacts the recently repealed vehicle inspection provisions under RSA 266 and maintains the \$3.25 state fee collected for each inspection sticker issued. Of this amount, \$0.25 is deposited into the Motor Vehicle Air Pollution Abatement Fund, \$0.25 is deposited into the General Fund, and the remaining \$2.75 supports the Highway Fund. As of February 1, 2026, the loss of \$3.25 per inspection for all inspections conducted (1,565,361 inspections in 2024) will reduce state revenue by approximately \$5,087,423.25 based on inspections performed in 2024:

Fund	Fee	# Inspections	Total Revenue
Highway Fund	\$2.75	1,565,361	\$4,304,743
General Fund	\$0.25	1,565,361	\$391,340
MV Air Pollution Abatement Fund	\$0.25	1,565,361	\$391,340
Total			\$5,087,423

Under the law set for repeal as of January 31, 2026, newly registered vehicles are required to undergo annual inspections beginning in their first year of registration. The proposed language would exempt new vehicles from inspection until their third model year. Based on 2024 data, approximately 109,107 new-model vehicles were inspected statewide. To this extent, approximately 110,000 vehicles would only be inspected every third year, impacting the revenue outlined in the previous table:

Fund	Fee	# Inspections	Total Revenue
Highway Fund	\$2.75	109,107	\$300,044
General Fund	\$0.25	109,107	\$27,277
MV Air Pollution Abatement Fund	\$0.25	109,107	\$27,277
Total			\$354,598

Based on the above, it appears highway fund revenue could increase by approximately \$4,100,000 per year. Pursuant to RSA 235:23 (“Apportionment A”), 12 percent of highway fund road toll and motor vehicle fee revenue collected is distributed to municipalities in the year following collection. Therefore, this bill would also increase state expenditures and local revenue, beginning in FY 2028, by approximately \$492,000 per year. It should be noted that revenue impacts outlined above would be halved in the fiscal year one of implementation, as the effective date of this bill is January 1, 2027. For informational purposes, the budgeted estimated impact to highway fund revenue for the repeal of passenger vehicle inspections for FY 2027 was \$3,300,000.

In addition, the Department states that any entity requesting to operate as an official inspection station would need to apply to the Division of Motor Vehicles (DMV) to be an inspection station

and go through the approval process. This approval process includes receiving an in person visit from a DMV representative to verify location and signage. This reenactment will also require any certified mechanics who have not performed an official inspection in more than one year to attend recertification classes. The Department states this process will require the need to hire two (2) additional temporary staff members to handle the influx of stations re-certifying into the programing. The estimated cost of these positions (license clerk, SOC 43-03) assuming a start date of 10/01/26 and an end date of 06/30/28, would be \$114,000 in FY 2027 and \$144,000 in FY 2028. This bill provides neither authorization nor appropriation for new personnel.

AGENCIES CONTACTED:

Department of Safety