**HB 1391-FN - AS INTRODUCED**

2024 SESSION

24-2496
11/10

HOUSE BILL ***1391-FN***

AN ACT allowing new vehicles purchased in the model year or before to be inspected in the second year after purchase.

SPONSORS: Rep. Coker, Belk. 2; Rep. Bogert, Belk. 5; Rep. St. Clair, Belk. 5; Rep. Gorski, Hills. 2; Rep. Veilleux, Hills. 34; Rep. Rombeau, Hills. 2; Rep. Spillane, Rock. 2; Sen. Lang, Dist 2; Sen. Ward, Dist 8; Sen. Watters, Dist 4; Sen. Ricciardi, Dist 9

COMMITTEE: Transportation

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ANALYSIS

This bill allows new vehicles purchased in the model year or before to be inspected in the second year after purchase.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

**HB 1391-FN - AS INTRODUCED**

24-2496
11/10

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Four*

AN ACT allowing new vehicles purchased in the model year or before to be inspected in the second year after purchase.

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

1 Motor Vehicles; Inspection Exempt. Amend RSA 266:1, II to read as follows:

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

2 Model Year Purchase Excepted. Amend RSA 266:1, II-a to read as follows:

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

3 Newly Registered Vehicles. Amend RSA 266:1, IV to read as follows:

IV. ***Except as provided in paragraph IV-a,*** notwithstanding paragraphs II and III, newly registered vehicles, other than vehicles transferred to a licensed dealer, OHRVs, snowmobiles, mopeds, roadable aircraft, and vehicles, other than vehicles transferred to a licensed dealer, OHRVs, snowmobiles, mopeds, and roadable aircraft, the ownership of which has been transferred, shall be inspected not later than 10 days after the registration or transfer of ownership of said vehicle. However, if a new vehicle ***not described in paragraph IV-a*** is purchased at retail from a licensed dealer, as defined in RSA 259:18, the vehicle shall be inspected not later than 20 days after the date of transfer. A used vehicle for which a dealer has issued a 20-day plate pursuant to RSA 261:109 shall be inspected by the dealer or an authorized inspection station on behalf of the dealer at the time of the attachment of the plate unless a valid inspection sticker issued by the dealer is in place, in which case the vehicle shall be inspected within 20 days or before the sticker expires, whichever

occurs first. All other expired motor vehicle inspections shall be subject to the 10-day grace period in RSA 266:5.

4 New Paragraph; New Model Year Vehicle. Amend RSA 266:1 by inserting after paragraph IV the following new paragraph:

IV-a. A vehicle purchased prior to or during the vehicle's model year, from a licensed dealer by a natural person as the first owner, shall be exempt from inspection until the last day of the registered owner's birth month in second year after purchase. A vehicle purchased prior to or during the vehicle's model year, from a licensed dealer by a corporation as the first owner, shall be exempt from inspection until the last day of the purchase anniversary month in the second year after purchase.

5 Effective Date. This act shall take effect January 1, 2025.

LBA
24-2496
11/29/23

**HB 1391-FN- FISCAL NOTE**
**AS INTRODUCED**

AN ACT allowing new vehicles purchased in the model year or before to be inspected in the second year after purchase.

**FISCAL IMPACT: [ X ] State [ ] County [ X ] Local [ ] None**

| Estimated State Impact - Increase / (Decrease) | | | | |
|---|---|---|---|---|
| | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** |
| **Revenue** | $0 | ($134,875) | ($269,750) | ($269,750) |
| *Revenue Fund(s)* | Highway Fund, General Fund, Motor Vehicle Air Pollution Abatement Fund | | | |
| **Expenditures** | $0 | $0 | ($13,695) | ($27,390) |
| *Funding Source(s)* | Highway Fund | | | |
| **Appropriations** | $0 | $0 | $0 | $0 |
| *Funding Source(s)* | None | | | |

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] N/A

| Estimated Political Subdivision Impact - Increase / (Decrease) | | | | |
|---|---|---|---|---|
| | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** |
| **Local Revenue** | $0 | $0 | ($13,695) | ($27,390) |
| **Local Expenditures** | $0 | $0 | $0 | $0 |

**METHODOLOGY:**

This bill, effective January 1, 2025, exempts a vehicle purchased prior to, or during, the vehicle's model year, from a licensed dealer by a natural person as the first owner, from inspection until the last day of the registered owner's birth month in second year after purchase. A vehicle purchased prior to or during the vehicle's model year, from a licensed dealer by a corporation as the first owner, shall be exempt from inspection until the last day of the purchase anniversary month in the second year after purchase. During calendar year 2023, 82,713 vehicles with a model year of 2023 were safety inspected. Inspection stickers cost $3.25, with revenue split between three accounts: $2.75 to the highway fund, $0.25 to the general fund, and $0.25 to the motor vehicle air pollution abatement fund. Based on the assumption of 83,000 fewer inspection stickers per calendar year, this bill will have the following impact on state revenue:

| | FY 2025 | FY 2026 | FY 2027 |
|---|---|---|---|
| # Fewer Inspection Stickers | 41,500 | 83,000 | 83,000 |
| (Revenue Decrease) | | | |
| Highway Fund ($2.75/per) | ($114,125) | ($228,250) | ($228,250) |
| General Fund ($0.25/per) | ($10,375) | ($20,750) | ($20,750) |
| MV Air Pollution Abatement Fund ($0.25/per) | ($10,375) | ($20,750) | ($20,750) |
| **Total Revenue Decrease** | **($134,875)** | **($269,750)** | **($269,750)** |

Also, pursuant to RSA 235:23 ("Apportionment A"), 12 percent of highway fund road toll and motor vehicle fee revenue collected is distributed to municipalities, therefore, under this bill state expenditures and local revenue would decrease by $13,695 in FY 2026 and $27,390 in FY 2027 and each year thereafter.

**AGENCIES CONTACTED:**

Department of Safety