

HB 209-FN - AS INTRODUCED

2025 SESSION

25-0252

11/06

HOUSE BILL **209-FN**

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

SPONSORS: Rep. Coker, Belk. 2; Rep. St. Clair, Belk. 5; Rep. McFarlane, Graf. 18; Rep. Hill, Merr. 2; Rep. H. Howard, Straf. 4; Rep. Spillane, Rock. 2; Sen. Lang, Dist 2

COMMITTEE: Transportation

ANALYSIS

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

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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

AN ACT allowing a new vehicle 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 1 Motor Vehicles; Inspection Exempt. Amend RSA 266:1, II to read as follows:

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

12 2 Model Year Purchase Excepted. Amend RSA 266:1, II-a to read as follows:

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

18 3 Newly Registered Vehicles. Amend RSA 266:1, IV to read as follows:

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

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

3 4 New Paragraph; New Model Year Vehicle. Amend RSA 266:1 by inserting after paragraph IV
4 the following new paragraph:

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

11 5 Effective Date. This act shall take effect January 1, 2026.

**HB 209-FN- FISCAL NOTE
AS INTRODUCED**

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

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$144,625 Decrease	\$289,250 Decrease	\$289,250 Decrease
<i>Revenue Fund(s)</i>	Highway Fund, General Fund, Motor Vehicle Air Pollution Abatement Fund			
Expenditures*	\$0	\$0	\$14,685 Decrease	\$29,370 Decrease
<i>Funding Source(s)</i>	Highway Fund			
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 2025	FY 2026	FY 2027	FY 2028
Local Revenue	\$0	\$0	\$14,685 Decrease	\$29,370 Decrease
Local Expenditures	\$0	\$0	\$0	\$0

METHODOLOGY:

This bill, effective January 1, 2026, 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 the 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. Based on FY 2024 data, there were approximately 89,000 new vehicles registered. 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 89,000 fewer inspection stickers per calendar year, this bill will have the following impact on state revenue:

	FY 2026	FY 2027	FY 2028
# Fewer Inspection Stickers	44,500	89,000	89,000
<u>Revenue Decrease</u>			
Highway Fund (\$2.75/per)	(\$122,375)	(\$244,750)	(\$244,750)
General Fund (\$0.25/per)	(\$11,125)	(\$22,250)	(\$22,250)
MV Air Pollution Abatement Fund (\$0.25/per)	(\$11,125)	(\$22,250)	(\$22,250)
Total	(\$144,625)	(\$289,250)	(\$289,250)

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 \$14,685 in FY 2027 and \$29,370 in FY 2028 and each year thereafter.

AGENCIES CONTACTED:

Department of Safety