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ASSEMBLY JUDICIARY, LAW, PUBLIC
SAFETY AND DEFENSE COMMITTEE

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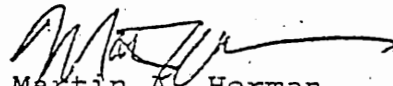
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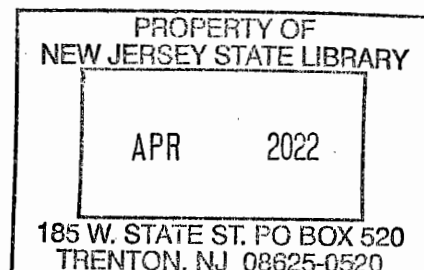
June 2, 1983

TO THE MEMBERS OF THE ASSEMBLY JUDICIARY, LAW, PUBLIC SAFETY
AND DEFENSE COMMITTEE

I respectfully submit a report containing my recommendations and findings for resolving the "crisis" in our motor vehicle inspection program. This report is based on the two committee hearings held by the committee and my own research.

Sincerely,


Martin A. Herman
Chairman



Introduction

The Committee's recommendation to reconstitute a proper State motor vehicle inspection system was influenced by the testimony and report of the Director of the Division of Motor Vehicles (see attachment, page 15) that the system could work with adequate funding. The crisis in the inspection system was inflicted upon the motorists of New Jersey by the Governor's and the division's freeze on the hiring of inspectors. It is their responsibility to put the system back together.

Since the reconstitution of the State system will take time, the Committee would reluctantly support the implementation of dual State-private garage inspection system for no longer than 90 days.

The Committee has acted to resolve this crisis within weeks of receiving a request to consider the Governor's proposal for a revamped inspection system and a federal court order to return to the State system. This report should be read as sending a clear message to the Governor and the Legislature that the necessary funding should be made available to prevent the motorists of New Jersey from having to suffer through an inspection line crisis.

RECOMMENDATIONS

1. The state motor vehicle inspection system should be put back together with a full and adequate automobile emissions and safety inspection program. There is no need for a radical change in New Jersey's motor vehicle inspection system, including the creation of a private inspection system. The system should be concerned with motorist convenience, cost effectiveness, clean air and vehicle safety.
2. The committee applauds the order of the State Attorney General to the Director of the Division of Motor Vehicles to hire 70 temporary inspectors for the State's motor vehicle inspection stations by transferring money from other motor vehicle accounts. This will allow for an orderly transition from the current "odd-even" system to annual inspections which to resume July 1, 1983. The Attorney General's order follows the intent of Assembly Bill No. 3530, introduced on May 26, 1981 by Assemblyman Wayne Bryant and Assemblywoman Angela Perun to appropriate \$65,000 for the hiring of temporary seasonal motor vehicle inspectors.
3. An amount up to \$6 million for Fiscal Year 1984 should be restored to the Division of Motor Vehicles to refund the 125 motor vehicle inspector positions, along with the necessary equipment, which were allowed to lapse in the past year because of the Governor's hiring freeze, and to restore the cuts from the Division of Motor vehicles Fiscal Year 1984 budget request which were made by the Governor. The Division of Motor Vehicle

should immediately meet with the Legislature's Joint Appropriations Committee to seek restoration of the necessary funds with a primary emphasis on transferring the funds from other motor vehicle and executive department accounts. The crisis in the inspection system was inflicted upon the motorists of New Jersey by the Governor and the Division of Motor Vehicles and it is their responsibility to put back together the motor vehicle inspection system. The Director has testified that he could rebuild the system with the proper funds; he should be given the opportunity.

4. The approximate 500,000 commercial vehicles which are not required to go through State inspection stations should be phased into the system over the next year. This will help to meet New Jerseys required clean air standards.
 5. The Division of Motor Vehicles and the State Motor Vehicle inspectors union should renegotiate inspection working hours, putting more emphasis on evenings and Saturdays than on Monday to Friday daylight hours. Summer vacation schedules should also take into consideration inspection workloads.
 6. A surcharge should be levied on motorists who wait until the last week of the month to take their vehicles through inspection on a 6 month trial basis to determine its impact on reducing end-of-the-month inspection lines. The money should be collected by non-inspectors in a manner which does not cause delays in and be used for funding increased staff and overtime. The Division of Motor Vehicles should report its findings to the Legislature.
 7. There should be legislative oversight of the reconstitution of
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the State motor vehicle system to assure it is adequately restored and properly managed.

8. The Division of Motor Vehicles should report back to the Legislature in six months on its efforts to reconstitute the State Motor Vehicle Inspection System, and again in one year.
9. An architectural study of existing motor vehicle inspection stations should be made to determine if a change in design could expedite the flow of vehicles through the inspection process.
10. The Assembly Judiciary, Law, Public Safety and Defense Committee will continue its study of the 28 items or conditions subject to inspection to determine their relationship to vehicle safety, whether there are priorities which should be upgraded, and whether various items and conditions should be eliminated.
11. The respective legislative environmental committees should work with the Governor's office in monitoring the compliance of the State motor vehicle inspection system with the required clean air standards contained in the State Implementation Plan (SIP). It is important the State comply with the SIP so as not to harm the industrial economy of this State.

12. The Division of Motor Vehicles and the Governor should learn a valuable lesson from their attempt to undue an inspection system which has proved to be a success. There should be no more self-inflicted 11th hour crises at the expense of the motorists of New Jersey.
13. The Joint Legislative Oversight Committee should conduct a study of the private garage reinspection system, focusing on the extent, if any, of charges for unnecessary repairs, whether accurate fuel emissions analyzers are utilized, and conduct an audit of private garage reinspection stickers and new car inspection stickers. The division should forward copies of complaints, letters and any evidence it has received regarding these matters to the Oversight Committee.

FINDINGS

I. PURPOSE OF INSPECTION

According to the conclusion of the August 1, 1982 New Jersey Institute of Technology Study, "the primary purpose of mandatory vehicle inspection is to insure that vehicles are in safe condition and will not, therefore, cause accidents. There are, however, additional benefits to be gained from an inspection program. They include improved air quality as a result of engine emissions tests, general improved vehicle condition, and stronger feelings of safety on the part of drivers" (page 8 of study).

II. DEVELOPMENT OF NEW JERSEY'S INSPECTION SYSTEM

New Jersey's inspection system has not been rigid. It has undergone a number of changes since its adoption in 1938. While these changes were intended to make the system more convenient to motorists, they have not always made the system more effective in inspecting vehicles. In the mid-fifties, mandatory twice-a-year inspections were reduced to annual inspections. Heavy trucks, fleet-owned vehicles and trailers were later removed from the system and allowed to be self-inspected. New cars were exempted from inspections for two years. More recently, Governor Kean instituted an odd-even number system of inspection.

Vehicles with odd numbered or personalized plates were exempted from inspection for the remainder of 1982. This reduced the workload at inspection stations by 30% and also reduced inspection waiting times throughout the State to under five minutes.

On September 7, 1982, the Division began a program of random roadside inspections in cooperation with local law enforcement agencies.. This pilot program was designed to measure the benefits of roadside inspections as a supplement to the conventional garage/station inspection programs.

New Jersey's State inspection system has been touted as one of the finest in the nation among the 21 states and the District of Columbia which have inspection programs. Whatever its flaws, the State inspection system has been credited with New Jersey's top road safety rating and improved air quality in New Jersey.

III. STATE MOTOR VEHICLE INSPECTION FACILITIES

There are 38 State operated inspection facilities and 69 inspection lanes. There are also 4000 private reinspection garages.

IV. VEHICLES SUBJECT TO INSPECTION

All light weight motor vehicles registered in New Jersey that are more than two years old are required to pass inspection annually.

This includes:

Automobiles

Motorcycles

Trucks that weigh less than 6000 pounds.

Used vehicles are required to pass inspection immediately after purchase.

School buses are inspected twice a year at inspection stations and once a year in their terminals.

Commercial vehicles are inspected at terminals and on a random basis on the road.

V. ITEMS OR CONDITIONS INSPECTED

The following are inspected annually:

License plates

Steering and suspension

Wheel alignment

Headlights, directional signals, parking lights and all other lights

Glazing

Visual obstruction

Horn

Windshield wipers

Wheels and tires

Exhaust System

Rearview mirror

Wiring and switches

Service brake and service brake pedal

Parking brake and reserve

Brake equalization

VI. INSPECTION FAILURES

The reasons for vehicles failing inspection in the last calendar year (1982) were:

1.	Credentials	113,111	4.30
2.	Identification Marks (Plates)	32,185	.97
3.	Steering and Suspension	81,809	2.45
4.	Wheel Alignments	25	.00
5.	Parking Lights	13,343	.40
6.	Examination of all Glazing	45,993	1.38
7.	Obstruction of Vision	5,001	.15
8.	Horn	45,874	1.38
9.	Windshield Cleaners	49,585	1.49
10.	Direction Signals - Hazard Warning Lights	130,519	3.92
11.	Side Marker - Clearance Ident. Reflectors	1,416	.04
12.	Red Rear Light - Plate Light	92,962	2.79
13.	Stop Light	114,509	3.44
14.	Wheels and Tires	115,115	4.36
14a.	Handlebar Height	17	.00
15.	Exhaust System	178,019	5.34
15a.	Engine Emission	670,111	20.12
16.	Headlamps	327,807	9.84
17.	Mirrors - Left - Interior - Right	28,278	.85
18.	Other Lights	7,133	.21
19.	Wiring and Switching	25,117	.75
20.	Indicator Lights and/or Hazard Warning	53	.00
21.	Miscellaneous	109,372	3.28
22.	Service Brake	8,811	.27
23.	Parking Brake and Reserve	139,580	4.19
24.	Brake Equalization	109,110	3.27
25.	Service Brake Pedal Reserve	29,053	.87
26.	Helmet	1,005	.03
27.	Goggles - Face Shield	1,360	.04
28.	Seat - Hand Holds - Foot Rest	55	.00

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(Percentage obtained by using number of individual vehicles)

VII. EFFECTS OF INSPECTIONS ON AIR QUALITY

Under the Federal Clean Air Act of 1970 (amended in 1977), the State Department of Environmental Protection must draft a State Implementation Plan (SIP) acceptable to the Federal Environmental Protection Agency. The SIP must demonstrate the existence of a Motor Vehicle Inspection System which includes fuel emissions inspections capable of meeting the air quality levels of the EPA. The lack of such a system will involve the loss of federal funds.

The sanctions that can be imposed on New Jersey by the Federal Environmental Protection Agency include: .

1. Withholding of that portion of the \$260 million in federal highway construction funds, scheduled to come to New Jersey's Department of Transportation this year, that are not targeted for projects dealing with air quality. No one knows how much of the \$260 million this might be.
2. Loss of a \$3.5 million per year federal air quality grant from the Federal Environmental Protection Agency to New Jersey's Department of Environmental Protection.
3. Loss of funds for the construction of sewage treatment facilities from the Federal Environmental Protection Agency to New Jersey's Department of Environmental Protection. New Jersey received \$85 million in 1982 and is scheduled to receive \$100 million per year for the next 3 years.
4. A ban on the issuance by the Federal Environmental Protection Agency of operating certificates for major sources of volatile organic substances. Major sources

of volatile organic substances are facilities that produce over 100 tons per year of volatile organic substances, such as oil refineries. This would mean that new facilities could not begin operation and old facilities that wished to make modifications could not operate.

In spite of the stringent fuel emissions inspection system in New Jersey, the levels of carbon monoxide and hydrocarbons in the air have been deemed excessive by the EPA. The State has been granted an extension (from 1982 to 1987) by the EPA to meet the required levels.

Any alternative to the current motor vehicle inspection system must continue emphasizing stringent fuel emissions standards or the State will be in danger of losing federal highway construction funds in 1987.

The federal court ruled this month that the odd-even inspection system, permitting certain automobiles to skip an annual inspection based on their license plate numbers, was null and void. The court said that the odd-even system represented a change in the State's overall strategy for controlling air pollution.

VIII. WAITING TIME AT STATE INSPECTION STATIONS

Since October, 1981, the Division of Motor Vehicles has had a freeze on all hiring except for transition positions. The result has been a reduction of 125 motor vehicle inspectors. According to the Division of Motor Vehicles, the average waiting time at inspection stations has increased from 9 minutes to 33

minutes because of the redirection in inspectors. The so-called waiting time "crisis" that overtook the inspection system last summer was self-inflicted. Long lines were not the result of any fault in the system, but because of inadequate funding for personnel by the current administration which led to the loss of 125 positions and the failure to follow the practice last summer of hiring temporary replacements to compensate for employee vacations.

IX. COST OF THE STATE INSPECTION SYSTEM

The State inspection system today consists of 25 State owned facilities and 13 leased facilities. The capital plant of the 25 State owned facilities is worth more than \$30 million. The cost to the State of leasing 13 facilities is approximately \$600,000 annually.

In FY 1981, the cost of personnel and maintenance at the 38 inspection stations was \$11,627,453. There were 525 motor vehicle inspectors at that time. In FY 1982, the cost of personnel and maintenance was \$12,158,145; in FY 1983 it was \$11,685,681; and for FY 1984 the Governor is recommending \$11,576,837. Through attrition the number of inspectors has been reduced to 400.

Funding for the motor vehicle inspection is derived from a \$2.50 fee which is part of the annual motor vehicles registration fee and general state revenue.

To bring the State inspection system up to full strength in terms of inspectors, equipment and maintenance would cost approximately \$6 million. According to the Division of Motor Vehicle's figures, the \$6 million would break down as follows:

1. \$2.8 million to make up the difference between the Division of Motor Vehicle's request for FY 1984 (\$14,397,000) and the Governor's recommendation (\$11,576,837). The Governor's reduction in the Division's request was premised on the implementation of a dual State-private inspection system by July 1, 1984. According to the Division of Motor Vehicles, loss of the \$2.8 million would result in the layoff of additional inspectors.

2. \$4 million (rounded off) to return the system to its 1981 status, prior to the loss of 125 inspection positions. The \$4 million would be needed to fund the salaries and pay for materials, supplies and equipments at the 38 State operated inspection stations.

Another \$1.8 million would be necessary to fund the inspection of approximately 300,000 commercial vehicles which are not now required to go through the State inspection system.

X. ALTERNATIVES TO THE STATE INSPECTION SYSTEM

Alternatives to the present system includes the following:

- abolishing compulsory inspections, which are currently required by only twenty other states;
- requiring inspections at longer intervals, ranging from two to five years;
- turning inspections over to private garages;
- allowing motorists the option of having their vehicles inspected at private garages or State inspection stations;

- having only random spot checks aimed at detecting the obvious defects;
- maintaining a compulsory inspection system with random spot checks, as presently being done;
- keeping the current state operated inspection system but not without updating the equipment to reflect the latest automotive testing technology;
- having compulsory inspections for emissions control only, and random spot checks for vehicle safety.

XI. COST OF THE GOVERNOR'S PROPOSED DUAL STATE-PRIVATE INSPECTION SYSTEM (S-3136 AND A-3238)

The pending legislative alternative to the current State system is S-3136 and A-3238. They would authorize a dual State-private system for all inspections as well as re-inspections.

The cost to the motorists and taxpayers of New Jersey for a dual State-private inspection system would be: (1) the difference between the Division's requested budget for FY 1984 (\$14,397,000) and the Governor's recommended budget if a dual State-private inspection system were in place (\$11,576,837), which equals a \$2.8 million savings to the State; (2) the cost to the State (which has not been determined) of monitoring 6000 private garages which would qualify and could serve as inspection centers; and (3) the cost to the 1.7 million drivers who are estimated to opt for private inspections. At the estimated \$12 per automobile for a private inspection, it would cost New Jersey motorists \$20 million for private inspections.

This evaluation of the cost of the private inspection system does not include the cost of the emissions testing equipment which would be required by the Public Advocate's amendments to the pending legislation. Ultimately, the cost would be passed on to motorists.

XII. COST COMPARISON OF RECONSTITUTING THE STATE MOTOR VEHICLE INSPECTION SYSTEM AND THE GOVERNOR'S PROPOSED DUAL STATE-PRIVATE INSPECTION SYSTEM

To put the state motor vehicle system back together, to its required level of performance prior to the Governor's efforts to change the system would cost \$6 million. This amounts to \$1.20 per registered vehicle in New Jersey. The creation of a dual State-Private Inspection System would allow for a \$2.8 million reduction in the Motor Vehicle Inspection System, involve a yet-to-be determined cost to the State of properly monitoring private inspection garages, and cost the estimated 1.7 million motorists who would opt for private inspections at least \$20 million collectively (at \$12 per vehicle inspection). This estimate does not include the pass through costs to motorists of the emissions testing equipment which would be required by the Public Advocate's amendments to the pending legislation (S-3136 and A-3238) to establish the dual system.

VEHICLE INSPECTION PROGRAM OPTIONS 1984 FISCAL YEAR*

Features of Program	Old Annual System	Governor's Plan	Optimal
	1981 staffing level, existing stations, annual inspection, end of month wait	Initial inspection at private garages, merged driver testing & vehicle inspection, return of State Police	Additional sta and stations and complies SIP
Emissions check/ credentials check/ Road Teams	YES	YES	YES
Safety Inspection	YES	YES	YES
Private Garage Reinspections	YES	YES	YES
Compressed Lanes	NO	YES	YES
# Lanes	69	59	74
# Stations	38	31	41
Subtotal: Vehicle Inspection	\$15.6	N/A	\$17.9
Subtotal: Driver Testing	\$1.9	N/A	\$1.9
Cost of State Police	\$1.1	N/A	\$1.1
\$'s in Millions			
Total Cost Vehicle Inspection & Driver Testing	\$18.6*	\$15.6	\$20.9
Additions For Commercial Vehicles	\$.7 mil	\$.8 mil	\$1.8 80 la 44 s

*Does not include central budget accounts (i.e. fringe benefits and rent)

* Includes request for \$500,000 overtime.