

Preliminary Fiscal Impacts

S.211 – An act relating to motor vehicle inspections As Introduced

Bill Summary

This bill proposes to change the required registered vehicle inspection from an annual to a biennial requirement. Additionally, this bill proposes to increase the fee collected for an issued inspection sticker from \$8 to \$16. This bill will take effect on July 1, 2026.

Fiscal Impacts

There are a number of outstanding questions currently impacting the ability of JFO to estimate the complete fiscal impacts of this bill. As such, this document discusses currently known fiscal impacts and highlights some still unknown potential fiscal impacts.

The current estimated fiscal impact assumes an effective date of January 1, 2027 per testimony from the DMV regarding the feasibility of implementation. This analysis uses the 3 year average of inspection data from 2023-25 and assumes that all variables remain constant over time. Additionally, it assumes full compliance with stated inspection requirements and an equal monthly distribution of inspections performed.

The potential revenue gained from changing the inspection frequency from every year to every other year and increasing the fee for an inspection sticker from \$8 to \$16 is estimated to be roughly \$2 million in FY27, \$900,000 in FY28, and \$300,000 in FY29 and beyond.

Part of the revenue generated in FY27 and FY28 and all of the revenue generated in FY29 and beyond comes from transit buses, school buses, and heavy trucks, which will not be impacted by the two year inspection change but will be required to pay the new \$16 sticker fee.

The remaining revenue generated in FY27 is due to the nature of the transition from yearly inspections to every other year inspections. In FY27, half of all vehicles inspected will pay the current \$8 fee and receive a one year inspection and the other half will pay \$16 and receive a two year inspection sticker. In FY28, the increased revenue is due to new vehicle inspections as well as the previously mentioned buses and trucks.

Currently Unknown Potential Fiscal Impacts

As mentioned earlier, there are a number of outstanding questions related to potential fiscal impacts that have not yet been answered. While likely not an exhaustive list, below are some variables that might affect this analysis and need to be examined before a complete fiscal impact can be determined.

- Cost associated with changes to the physical inspection sticker
- Buying back existing sticker from the vendor
- Changes to the vendor contract
- Changes to inspection material or inspection training
- Emission modeling and changes to EPA state implementation plan
- Changes to emissions testing