



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Doubtful Return on the Public's \$141 Million Investment in Poorly Managed Vehicle Inspection Programs

Summary

The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to determine if the state's vehicle safety and emissions inspection programs are effective and if the management and oversight of the programs are efficient.

Vehicles registered in North Carolina are subject to two types of inspections.

- **Safety Inspection.** An inspection of various mechanical systems required by state law in all 100 counties of North Carolina for vehicles less than 35 years old.
- **Emissions Inspection.** An inspection utilizing the On Board Diagnostic system for electronic readings to ensure proper functioning of pollution controls for all 1996 and newer model year vehicles. Only vehicles registered in 48 counties are subject to the emissions inspection.

North Carolinians spend \$141 million annually on inspections. It costs the Division of Motor Vehicles (DMV) and the Division of Air Quality \$40.8 million to administer both inspection programs. The Program Evaluation Division found

- no evidence exists showing the safety inspection program is effective,
- it is not possible to determine how much vehicle emissions inspections contribute to the improvement of overall air quality, and
- program oversight by DMV is inadequate.

In light of taxpayers' and the state's substantial investment in the inspection programs, the Program Evaluation Division recommends the North Carolina General Assembly

- reevaluate the need for a safety inspection program;
- consider exempting vehicles from the three newest model years from safety and emissions inspections;
- require DMV to manage the programs to ensure results by setting program goals, defining performance metrics, and reporting on progress to these goals using data analysis; and
- direct the Fiscal Research Division to do a fiscal review of both inspection programs to ensure efficiency and appropriate allocation of resources.