



**New Jersey Gasoline, C-Store, Automotive Association (NJGCA)**

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**FOR IMMEDIATE RELEASE**

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**GOVERNOR MISTAKEN IN ELIMINATING SAFETY INSPECTIONS FROM BUDGET**

*Alternative proposal would have kept safety inspections while saving more money;  
Public and small businesses both damaged by this action.*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA), made the following remarks concerning the elimination of motor vehicle safety inspections from the FY '10-'11 state budget:

“Yesterday the budget passed both houses of the Legislature, and later today, Governor Christie will sign it into law. While I applaud our leaders for putting a budget in place one day before our constitutionally mandated deadline, I take serious issue with the elimination of safety inspections from the motor vehicle inspection program,” stated Risalvato.

“When the budget was introduced, Governor Christie proposed saving \$12 million a year from the current inspection program by eliminating safety inspections. Currently, the state has a contract with Parsons to perform inspections and re-inspections at the state’s 31 Centralized Inspection Facilities (CIFs). For each inspection performed, New Jersey pays \$21.95 to Parsons. In ending safety inspections, the Governor saves \$3.24, reducing the final cost to \$18.71 per inspection. As 1.9 million initial inspections were performed at CIF locations in 2009, and assuming that volume remains consistent next year, the state would save \$6.15 million. Additionally, the Governor created a one-year extension to the current four-year new car inspection waiver, which saves an additional \$5.5 million dollars. After penalties are absorbed from the U.S. EPA for lengthening the interval for an emissions test, this saves New Jersey approximately \$12 million by eliminating safety inspections,” Risalvato said.

“However, my Association has repeatedly offered an alternative proposal that would allow safety inspections to still continue and also save the state an additional \$1 million. Earlier this year, I met with Administration officials, leaders in both Legislative houses, as well as Budget committee members to offer them a way to realize these savings without relying on one-time budget tricks like extending new car inspections,” Risalvato said.

Last year, Parsons conducted nearly 600,000 re-inspections at CIF locations throughout New Jersey. For that service, the state was charged \$21.95 per vehicle. By simply mandating that all re-inspections are performed at Private Inspection Facilities (PIFs) – and not CIFs – the state would save \$13 million a year.

Current law states that re-inspections are FREE at PIFs if repairs are done at that facility. As such, any motorist who fails inspection for whatever reason at a CIF can have his or her car re-inspected at a PIF at no cost when repairs are completed by the proprietor. If a repair shop that performs the repairs necessary to pass inspection does not have a PIF license, then whatever PIF the motorist chooses for re-inspection is bound to an MVC approved fee-chart that permits only nominal fees.

“The savings alone are enough reason to have adopted this alternative proposal. However, there are additional reasons why this is plan was the smarter way to go. First, safety inspections logistically consume 2/3rds of the time it takes to perform an inspection. Now that they are eliminated, wait times will be cut and Parsons will perform significantly more inspections – indirectly costing the state MORE money than anticipated. This means the projected savings will evaporate. Secondly, safety inspections prevented dangerous vehicles from being on the road and created an incentive for drivers to keep their cars in safe condition or risk failing inspection. With safety inspections gone, the number of accidents and fatalities on our roadways will rise. This will increase the number of accidents first responders must answer – again, indirectly costing the state more than they anticipated. Thirdly, now that safety inspections are no longer mandated, there will be no incentive for drivers to have required repairs made. This will drive down sales of repair parts, thus denying the state the sales-tax revenues associated with these items. Take altogether, this will cost the state MORE in the end”, thought Risalvato.

“It is likely that Parsons will eliminate 100-150 employees that will no longer be need. Adopting my proposal would have saved those jobs”, said Risalvato.

Risalvato continues, “I have gained wide, bi-partisan support in the Legislature for this proposal, including the Chairs of both Budget Committees and many in the Leadership. However, for reasons unbeknownst to anyone, Governor Christie has staunchly opposed a measure which would save the state \$13 million a year, and saved jobs. In this fiscal crisis, can we afford to let such opportunities go to waste?”

“With safety inspections eliminated, it isn’t just the taxpayers who lost an additional \$1 million for state coffers. Small business owners, many of who are my members, also lost. Last year, Governor Corzine asked PIF owners to make a commitment and buy into the new inspection program. This was a difficult decision for many who felt resentful after spending over \$75,000 a decade ago to commit to the old inspection program.

Thirty days after PIFs invested their money in 1999, Governor Whitman altered the inspection program from an annual inspection to a two-year inspection. The promises of that program were never fully realized and many still remain bitter. Yet 1,100 small business owners still spent the required \$8,500 to \$13,000 last June to purchase equipment and anticipated an adequate volume of repairs to justify their investment. The equipment they were required to pay for last June was just put into operation last month. And now these owners will wake up tomorrow morning only to find out that they have been deceived again. How many of them would have invested such a large sum of money and committed themselves to \$200-\$300 in monthly maintenance on the new equipment if they knew that safety would be eliminated from the inspections that they perform?"

"The entire situation is simply unfair. It is unfair to the public who sought a greater savings; it is unfair to the small businesses that over-extended themselves to buy into a program which is now partially obsolete; and it is unfair to the motorists who will now share the roadway with dangerous and unsafe vehicles. ***In fact, a 2009 study by the Pennsylvania Department of Transportation found: 'The results of the statistical analysis are clear and consistent. Using three different classes of model formulation, states with vehicle safety inspection programs have significantly less fatal crashes than states without programs'***. The impact of mandated safety inspections cannot be understated in New Jersey, which boasts the most densely populated region in the country!"

"No one supports a return to fiscal sanity more than the 1,500 small business owners I represent. We all accept that cuts must be made and spending must be curtailed, and I am fully behind the Governor in this endeavor. However, I respectfully submit that Governor Christie missed an ideal opportunity in adopting an alternative plan which would not only saved more money, but wouldn't have compromised the safety of the motoring public," Risalvato concluded.

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