



Testimony of Newell A. Augur, On behalf of Enterprise Mobility

Presented to the Joint Standing Committee on Transportation

In Support of LD 661, An Act to Amend Motor Vehicle Inspection Requirements and
In Support of LD 1010, An Act to Amend the State's Vehicle Inspection Law by Requiring
Inspections Biennially

Sponsored by Representatives Amy Roeder and Chad Perkins

April 8, 2025

Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation, my name is Newell Augur. I am a resident of Yarmouth and a partner at Pierce Atwood, LLP. I am here today on behalf of Enterprise Mobility. Enterprise has more than 245 team members with great pay and benefits in 23 offices located throughout the state. We pay excise, payroll, property and sales taxes in excess of \$20 million every year. We are fully vested and invested in the people and economy of Maine.

I appreciate the opportunity to submit this testimony in support of LDs 661, An Act to Amend Motor Vehicle Inspection Requirements and 1010, An Act to Amend the State's Vehicle Inspection Law by Requiring Inspections Biennially. The sheer number of proposals before you today seeking modest adjustments to the inspection requirement and the strong bi-partisan support for these changes makes clear that some type of change to Maine's outdated program is long overdue. The arguments that, in a prior decade, may have made the case for an annual inspection in the years immediately following the purchase of a new car no longer apply. And they have been disproven by clear and convincing data.

It is not just Maine car owners who continue to pay the cost of this antiquated requirement; the State of Maine and its individual municipalities pay a cost as well.

Enterprise operates in all 50 states. Our review of the vehicle inspection laws in each of those individual states shows the following:

- 11 states (Maine is one of them) require safety inspections on initial registration for a new vehicle (as well as subsequent annual renewals)
- 4 states DO NOT require an initial safety inspection, but do require one at some point in time at an annual renewal
 - Missouri – no initial safety inspection, safety inspection requirement at 3 years
 - Delaware and New Jersey - no initial safety inspection, safety inspection requirement at 5 years
 - Vermont - no initial safety inspection, safety inspection requirement at 1 year
- 35 states have NO safety inspection program

Every year, Enterprise registers approximately 4,800 cars in Maine - nearly all of them brand new - which are then deployed to our 23 different offices. We pay a registration fee to the State and excise tax to the town for every one of those vehicles. At the end of the first year, on average, 70% are located in a different state.

The Enterprise office in the other state does not return the vehicle to Maine for an inspection. Unless it's in one of the few remaining states that require an inspection, the Maine plates on that car are removed and plates from the state where the car is now located are put on. As a result, Maine loses the registration fee and the excise tax for that vehicle. These are all late model cars so the excise tax and registration amount to, on average, \$750 per vehicle. Multiply that by approximately 3,500 each year and the amount of lost revenue to the Maine municipalities and the State adds up, quickly. We would conservatively estimate that amount of lost excise taxes and registration fees from our company alone to be approximately \$2,500,000 each year.

For Enterprise, it's not a question of saving money or avoiding the registration fee. We pay that fee regardless of where the car is located. Rather, it's an issue of the use of our asset. Pulling plates off a car and reissuing plates in a new state is an administrative hassle that most rental companies would just as soon avoid because it pulls an asset off the road for a week. But driving that car from New York, Pennsylvania, Virginia or Florida back to Maine for an inspection is not an option.

It's important to remember that new cars sold today are remarkably different than new cars manufactured 25 years ago, or even 10 years ago. Vehicle safety has changed dramatically over this time. Today, newer cars are safer than ever before. Thanks to advanced engineering, in-depth research and analysis of crash data, newer vehicles are built better and have more safety features. These advanced technologies make vehicle inspections within the first three years after a new car is purchased entirely unnecessary.

The data supports this. New Hampshire, which is also considering a change to their registration and inspection process, recently collected data on the failure rate for vehicles in the first two years following purchase. I have included a chart issued by the New Hampshire Division of Motor Vehicles along with my testimony. For safety inspections on 2018-2020 model year vehicles, the failure rate for the first inspection was between .201% and .18%; the failure rate for the second inspection was between 1.19% and 1.04%; the failure rate for the third inspection was between 2.43% and 2.23%.

Given these inspection success rates, the Legislature should remove the inspection requirement for late model vehicles in the first several years that those vehicles are on the road as proposed in both LDs 661 and 1010. This is practically sensible for Maine car owners and businesses, and fiscally prudent the State and its municipalities.

Thank you for the opportunity to testify. I'd be happy to answer any questions.

New Hampshire Department of Motor Vehicles
 Failure Rates for Safety and Emissions Inspections on Late Model Vehicles for the First 3 Inspections

2018	# of Inspections	Safety Failures	% of Safety Failures	OBD Failures	% of OBD Failures
First Inspection	96,429	201	0.21%	315	0.33%
Second Inspection	94,947	1,132	1.19%	665	0.70%
Third Inspection	95,428	2,323	2.43%	3,723	3.90%
2019	# of Inspections	Safety Failures	% of Safety Failures	OBD Failures	% of OBD Failures
First Inspection	99,543	214	0.21%	496	0.50%
Second Inspection	99,670	1,036	1.04%	861	0.86%
Third Inspection	102,379	2,285	2.23%	3,861	3.77%
2020	# of Inspections	Safety Failures	% of Safety Failures	OBD Failures	% of OBD Failures
First Inspection	79,835	142	0.18%	351	0.44%
Second Inspection	79,359	915	1.15%	392	0.49%
Third Inspection <small>(as of 10/14/22)</small>	68,330	1,541	2.26%	2,307	3.38%

New Hampshire Department of Motor Vehicles

Failure Rates for Safety and Emissions Inspections on Late Model Vehicles for the First 3 Inspections

Vehicles model year 2018	First Inspection	Second Inspection	Third Inspection
Total number of model year 2018 vehicles inspected	96,429	94,947	95,428
Number of Safety Inspection Deficiencies found	512	3,137	7,125
Number of vehicles failing for safety	201	1,132	2,323
Number of OBD Test Deficiencies found	124,051	16,359	13,515
Number of vehicles failing for OBD	315	665	3,723

Vehicles model year 2019	First Inspection	Second Inspection	Third Inspection
Total number of model year 2019 vehicles inspected	99,543	99,670	102,379
Number of Safety Inspection Deficiencies found	546	2,783	6,828
Number of vehicles failing for safety	214	1,036	2,285
Number of OBD Test Deficiencies found	129,745	21,813	19,115
Number of vehicles failing for OBD	496	861	3,861

Vehicles model year 2020	First Inspection	Second Inspection	Third Inspection (thru 10/14/22)
Total number of model year 2020 vehicles inspected	79,835	79,359	68,330
Number of Safety Inspection Deficiencies found	365	2,277	4,190
Number of vehicles failing for safety	142	915	1,541
Number of OBD Test Deficiencies found	101,870	15,680	11,193
Number of vehicles failing for OBD	351	392	2,307