



STATE OF RHODE ISLAND

**DIVISION OF MOTOR VEHICLES
ADMINISTRATION OFFICE**

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January 25, 2024

The Honorable Joseph J. Solomon, Jr.
Chair, House Committee on Corporations
State House
Providence, RI 02903

**RE: 2024 H-7014- AN ACT RELATING TO MOTOR AND OTHER VEHICLES
- INSPECTION OF MOTOR VEHICLES**

Dear Chairperson Solomon:

The Division of Motor Vehicles ("DMV") writes in support of House Bill 7014, An Act Relating to Motor and Other Vehicles-Inspection of Motor Vehicles.

The proposed bill would allow licensed used motor vehicle dealers to forego the requirement to obtain a new inspection for a motor vehicle prior to its sale, if the motor vehicle is being purchased at the end of the lease term by the current lessee (a "lease buyout") and a valid inspection certificate issued by the state of current registration is affixed to the windshield at the time of sale (unless there is no inspection requirement in the state of current registration, in which case no inspection certificate would be required).

This modification would provide solutions for two common situations that currently arise during lease buyouts. The first is that most lease buyouts occur at the end of a three-year lease term and most motor vehicles are on a two-year inspection cycle. The lessee obtains and pays for the inspection in year 2 only to have to pay for an inspection to be performed by the dealer in year 3 even though the current inspection is valid for another year. This unnecessarily increases the purchase price for the lessee and delays completion of the sales transaction because the vehicle first needs to be brought to an inspection station for a thorough inspection instead of the lessee returning to the dealership solely to sign the sales paperwork.


The second common situation that currently arises is when the lessee has moved to another state prior to the expiration of the lease term, or will remain in the state where they were previously temporarily located, often for school. It is a waste of resources to require the lessee, who no longer lives in Rhode Island, to have the motor vehicle returned to this state solely to have an inspection

The Honorable Joseph J. Solomon, Jr.
January 25, 2024
2024 H-7014
Page 2

performed only to then have it returned to their state of residence where it will be registered. The inspection laws of the state where the lessee has moved should govern the inspection requirement at the time of sale.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Walter R. Craddock", written over a horizontal line.

Walter R. Craddock, Esq.
Administrator

Cc: Honorable John G. Edwards
Honorable Members of the House Committee on Corporations
Nicole McCarty, Chief Legal Counsel