

**ASSEMBLY CONCURRENT
RESOLUTION No. 17**

**STATE OF NEW JERSEY
214th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblywoman ALISON LITTELL MCHOSE

District 24 (Sussex, Hunterdon and Morris)

Assemblyman GARY R. CHIUSANO

District 24 (Sussex, Hunterdon and Morris)

SYNOPSIS

Urges Motor Vehicle Commission to suspend and modify provisions of Parsons' contract.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 **A CONCURRENT RESOLUTION** urging the New Jersey Motor
2 Vehicle Commission to immediately suspend and modify certain
3 terms of its contract with Parsons Commercial Technology
4 Group.
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6 **WHEREAS**, In March 2008, the New Jersey Motor Commission
7 entered into a contract with Parsons Commercial Technology
8 Group to manage the State's Central Inspection Facilities (CIFs)
9 and Private Inspection Facilities (PIFs) which are operated by local
10 motor vehicle repair shops; and
11 **WHEREAS**, As part of this new contract, the PIFs are required to
12 replace certain of their existing inspection equipment with new
13 equipment in order to continue to conduct and provide private
14 motor vehicle inspections; and
15 **WHEREAS**, This new equipment will enable PIFs to utilize the on
16 board diagnostic systems incorporated within newer motor vehicles,
17 replacing the dynamometers that were once used to conduct motor
18 vehicle emissions testing; and
19 **WHEREAS**, While it is being purported that this modernization will
20 enable PIFs to serve their customers more efficiently and
21 effectively, certain terms of the contract relating to the acquisition,
22 financing and delivery of this new equipment impose unfair,
23 unreasonable, and burdensome terms and obligations on the owners
24 and operators of the State's PIFs; and
25 **WHEREAS**, Some of the more onerous terms of the contract require the
26 owners and operators of our State's PIFs not only to enter into an
27 agreement to incorporate the new equipment in their facilities, but
28 also to fully pay for the equipment by June 30, 2009, in spite of the
29 fact that this new equipment is not to be delivered until October
30 2009; and
31 **WHEREAS**, The unreasonableness of this unduly compressed time-
32 frame is compounded by the fact that it is impossible for the owners
33 and operators of the State's PIFs to obtain affordable financing
34 through traditional credit sources; and
35 **WHEREAS**, While the owners and operators of the State's PIFs have
36 attempted to work out a more realistic method of financing the
37 acquisition of this new equipment, the Motor Vehicle Commission,
38 Parsons and SGS, the equipment manufacturer, have rejected these
39 proposals, offering only a financing program available through a
40 foreign leasing company that would charge the PIFs an usurious
41 interest rate of 30 percent; and
42 **WHEREAS**, These terms of the contract are so onerous and so
43 unreasonable that it is altogether fitting and proper, and within the
44 public interest, to urge the New Jersey Motor Vehicle Commission
45 to immediately suspend and modify the terms of its contract with
46 Parsons Commercial Technology Group to provide reasonable time
47 for the owners and operators of New Jersey's PIFs to consider

ACR17 MCHOSE, CHIUSANO

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1 They have approached the Motor Vehicle Commission with a series
2 of reasonable proposals to address this major concern.

3 The Motor Vehicle Commission has rejected each one, offering
4 instead a financial arrangement through a foreign leasing company
5 that would charge the PIF owners and operators a usurious interest
6 rate of 30 percent.

7 The PIFs are an important and integral part of the State's motor
8 vehicle inspection system. The onerous and unfair terms of the
9 current contract with Parsons threaten the continued existence of
10 the PIFs and constitutes a major disruption in the State's motor
11 vehicle inspection program. They, therefore, should be
12 immediately suspended and modified.