

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1052

**SHORT TITLE:** Low Speed Vehicles Defined

**SPONSOR(S):**

<b>FISCAL IMPACT</b>					
	<b>Yes ( )</b>	<b>No ( )</b>	<b>No Estimate Available (X)</b>		
	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>
<b>REVENUES</b>					
<b>Highway Fund</b>					
	<b>* See Assumptions and Methodology *</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Department of Transportation, Division of Motor Vehicles.				
<b>EFFECTIVE DATE:</b>	July 1, 2001.				

**BILL SUMMARY:** The bill amends the Motor Vehicle laws to define and regulate low speed vehicles. Specifically the bill defines a golf cart and a utility vehicle, and clarifies that these vehicles should not be registered with the Division of Motor Vehicles (DMV). It also defines a low speed vehicle as “a four-wheeled electric vehicle” with a top speed between 20 and 25 miles per hour. The legislation requires that these low speed vehicles be equipped with much of the same equipment found on a private passenger vehicle including headlamps, stop lamps, turn signal lamps, tail lamps, reflex reflectors, parking brakes, rearview mirrors, windshields, windshield wipers, speedometer, seat belts, and a vehicle identification number. The bill also clarifies that these low speed vehicles can be operated only on streets and highways where the posted speed limit is 35 miles per hour or less, but can cross roads or streets with higher speed limits. The legislation authorizes the Department of Transportation to prohibit the operation of these vehicles on any road or highway if it determines that such action is required for safety. Finally, the bill clarifies that the vehicle registration fee for a low-speed vehicle is the same amount as the fee for private passenger vehicles for 15 or fewer passengers.

**ASSUMPTIONS AND METHODOLOGY:** The only fiscal impact expected as a result of the bill is an increase in vehicle registration fee collections. The DMV indicates that it registers low-speed vehicles and charges the owner the standard \$20.00 registration fee at

the request of the owner. Currently such registration is not mandatory. The bill makes registration mandatory.

At present Fiscal Research is only aware of one major manufacturer that produces low speed vehicles for delivery in the United States (Ford Motor Company), and these vehicles have only been available since fall 2000. These vehicles are available in Europe. Industry periodicals suggest that modifications can be made to existing golf carts to increase the top speed to 25 miles per hour. However, under the bill and the Federal Motor Vehicle Safety Standard (FMVSS500) set forth by the National Highway Traffic Safety Administration (NHTSA), such vehicles must have standard automobile safety equipment and a Vehicle Registration Number. Fiscal Research expects that these new federal and state regulations will discourage golf cart conversions.

Neither DMV or Fiscal Research knows how many low-speed vehicles exist in the state nor does either organization know how many of those vehicles are registered with the DMV. Both the number registered and the potential number to be registered are expected to be small but grow in future years.

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** May 8, 2001



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