

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1217 (Third Edition)

**SHORT TITLE:** Notify DWI Lienholders Immediately

**SPONSOR(S):** Rep. Hackney

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</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>EXPENDITURES</b>					
<b>Personnel</b>	<b>\$24,000</b>				
<b>ITS Charges</b>	<b><u>\$2,400</u></b>				
<b>Total</b>	<b>\$26,400</b>				
<b>POSITIONS:</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Division of Motor Vehicles				
<b>EFFECTIVE DATE:</b>	December 1, 2001				

**BILL SUMMARY:** The bill does the following:

- It decreases the amount of time the seizing officer has to notify DMV of the seizure from 72 hours to 24 hours.
- It requires DMV to provide notification **by facsimile** of the impoundment **within 8 hours** of receiving notice of seizure to any lienholder of record that has provided a designated telephone number to DMV. The facsimile notification shall state that the vehicle has been seized, state the reason for the seizure, and notify the lienholder that further written notification will also be provided. If the notice of seizure is received outside of DMV's regular business hours, it shall be considered to have been received at the start of the next business day.
- It requires DMV to establish procedures to allow lienholders to provide a designated fax number for notification of impoundment and to maintain a centralized database of the designated fax numbers. It authorizes the clerk of court to consider petitions for the release of seized vehicles as soon as feasible and to order their release without the consent of the district attorney.

- It eliminates the 10-day hearing before a judge. Consequently, it also eliminates the notice requirement, which required the clerk to send a copy of the petition seeking release of the vehicle to the district attorney and attorney for the county board of education.
- It does require the clerk to send a copy of the order either denying or authorizing the release of the vehicle to the district attorney and the attorney for the county board of education.
- It specifically prohibits a clerk or judge from waiving the requirement that a petitioner pay towing and storage costs upon release of the vehicle.

*(Source: Bill Analysis, Trina Griffin, Research Division)*

**ASSUMPTIONS AND METHODOLOGY:** The fiscal impact of the bill would be on the Division of Motor Vehicles (DMV). Establishing the procedures to collect fax numbers from lienholders and to create a centralized database, as required in Section 3, would require changes in the State Titling and Registration System (STARS) and the DWI subsystem. DMV considers this a project of medium technical level of effort that would require 300 hours of staff time at \$80 per hour (\$24,000) plus \$2,400 for SIPS charges for testing, etc.

The bill does not change the procedures of DPI or local education agencies or local law enforcement and is not expected to have a fiscal impact on those agencies.

Fiscal Research believes that the provision in Section 4 amending G.S. 20-28.3(e1) will not have a fiscal impact on the judicial system. It is estimated that any increase in workload by the court clerks can be absorbed with existing resources. Section 4 would eliminate the hearing requirement in current law to determine if a petitioner is an innocent owner and would allow the clerk of court to consider the petition and make a determination as to the release of the vehicle. It would appear that this amendment might possibly save court time and the district attorney's time. However, data are not presently available on the number of motor vehicle owners who petition the court or an estimate on the increase or decrease in clerk's processing time due to the changes in their responsibilities. It is known, however, from statistics compiled by DPI, that approximately 1500 of the approximately 5000 vehicles seized each year are released – approximately 80% of these to innocent owners and 80% to lienholders.

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION 733-4910**

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**APPROVED BY:** James D. Johnson

**DATE:** July 25, 2001



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