

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 67 (Fourth Edition)

SHORT TITLE: License Plate Frame/State Name Visible/Study.

SPONSOR(S): Representative Cole

<b>FISCAL IMPACT</b>				
<b>Yes ( )</b>	<b>No ( )</b>	<b>No Estimate Available (X)</b>		
<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>*No Estimate Available*</b>				
<b>*See Assumptions and Methodology*</b>				
<b>REVENUES:</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Division Motor Vehicles				
<b>EFFECTIVE DATE:</b> Section 1 is effective December 1, 2009 and applies to offenses committed on or after this date. During the period from December 1, 2009 to November 30, 2010, an operator of a motor vehicle who violates this act shall be given a warning of violation only. The remainder of this act is effective when it becomes law.				

**BILL SUMMARY:**

House Bill 67 makes several changes to laws regarding license plates:

Section 1 amends G.S. 20-63(g) to add covering the State name, year sticker, or month sticker on a registration plate to the list of infractions under G.S. 14-3.1.

Section 2 creates a standard for authorization of a New Special Plate. The Division must authorize the issuance of a special registration place if the plate meets the list of requirements. The Division may not authorize the issuance of special plates that would contain material that is obscene or political. The request for a new plate must include the following:

1. The name of the requested special registration plate
2. The name and address of at least 300 motor vehicle owners who have stated that they would apply for the plate
3. A recommended design. The design must be a 'First in Flight' and must not include a name or logo for which a trademark has been issued unless the holder licenses the State to use the trademark without

4. A recommended additional fee amount for the plate, if the amount of the additional fee proposed is greater than ten dollars. The maximum additional fee amount that may be imposed for a special plate is thirty-five dollars.
5. If applicable, the entity to which the additional fee revenue in excess of ten dollars must be remitted. The entity to which the fee revenue is remitted must be an entity that is exempt from income tax under Article 4 of Chapter 105 of the General Statutes.

The fee for a special registration is the regular motor vehicle registration fee in G.S. 20-87 and G.S. 20-88 plus an additional fee. The minimum additional fee is ten dollars. The Division is required to credit the ten dollars to the Special Registration Plate Account. The Division must credit the amount of an additional fee that exceeds ten dollars to the Collegiate and Cultural Attraction Plate Account. The Division must then transfer annually the money in the collegiate and Cultural Attraction Plate account derived from the sale of a special plate to the entity named in the request for the issuance of the plate. A holder of a special plate who becomes ineligible for the plate must return the plate within 30 days. A special plate may not be issued for a vehicle which is registered under the International Registration Plan.

Section 3 requires the Joint Legislative Transportation Oversight Committee, in consultation with the Revenue Laws Study Committee, to study the authorization of special registration plates under Part 5 of Article 3 of Chapter 20 of the General Statutes to determine if the authorization complies with the requirements of authorization and issuance of special registration plate in G.S. 20-79.4 A. The Committee may recommend legislation to the 2010 Session of the 2009 General Assembly in order to conform the authorization of any special plate to this statute.

Section 4 stipulates the effective dates for the other parts of House Bill 67.

#### **ASSUMPTIONS AND METHODOLOGY:**

House Bill 67 makes several changes to laws regarding special license plates. The bill is divided into 4 major sections. Section 1 of the bill adds covering the State name, year sticker, or month sticker on a registration plate to the list of infractions fined under G.S. 14-3.1. Assuming an insignificant number of people will violate this provision after it becomes law, Section 1 will have no significant fiscal impact.

Under current law, the General Assembly must pass a bill authorizing a particular special plate before the DMV can process applications for the special plate. Section 2 of the bill would allow individuals to request a special registration plate directly from the DMV and sets out standard criteria for this special plate authorization. Among other criteria, in order for a special plate to be authorized, the applicant must provide a list of the names and addresses of 300 individuals who would apply for the plate. The fee for a special plate must be at least \$10.00 and no greater than \$35.00. Ten dollars will be transferred to the Special License Plate Registration Account. Any fee beyond the ten dollars will be transferred to the Collegiate and Cultural Attraction Plate Account and will be distributed quarterly to the entity named in the request for the issuance of the plate. This is similar to the criteria currently outlined in the statute. The only significant change is that the plate applications would be handled directly by the Division of Motor Vehicles. Fiscal Research cannot estimate the impact this would have on the number of plate applications nor the specific fee amounts that will be chosen for each plate. Therefore, the impact Section 2 will have

on the Collegiate and Cultural Attraction Plate Account and the Special License Plate Registration Account cannot be estimated. The Division of Motor Vehicles is not expected to experience a significant fiscal impact from the changes made in Section 2.

Section 3 requires the Joint Legislative Transportation Oversight Committee, in consultation with the Revenue Laws Study Committee, to study the authorization of special registration plates under Part 5 of Article 3 of Chapter 20 of the General Statutes to determine if the authorization complies with the requirements of authorization and issuance of special registration plate in G.S. 20-79.4 A. Section 4 sets the effective date for the provisions of the bill. Neither of these sections is expected to have a fiscal impact.

**SOURCES OF DATA:** Division of Motor Vehicles

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** July 6, 2009



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