

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 201 (First Edition)

SHORT TITLE: Add Division of LESS to CCPS.

SPONSOR(S): Representatives Spear and R. Warren

FISCAL IMPACT					
	Yes ( )	No (X)	No Estimate Available ( )		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
<b>REVENUES:</b>					
<b>EXPENDITURES:</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Crime Control and Public Safety					
<b>EFFECTIVE DATE:</b> This act is effective when it becomes law.					

**BILL SUMMARY:**

To clarify that the Division of Law Enforcement Support Services is a division of the Department of Crime Control and Public Safety, to assign duties to the division, and to make corresponding changes to Chapters 20 and 105 of the General Statutes to allow Law Enforcement Support Services to transfer motor vehicles to law enforcement agencies without having to become a motor vehicle dealer to pay highway use taxes. This bill is identical to S 139.

Source: Bill Digest H.B. 201 (02/17/0200).

**ASSUMPTIONS AND METHODOLOGY:**

Since 1994, the Law Enforcement Support Services (LESS) program has been operating as part of the Department of Crime Control and Public Safety (CCPS). If ratified, H 201 will amend G.S.143B-508 to establish LESS as a division within CCPS.

This bill would also amend G.S 20-287 and G.S.105-187 to allow for LESS to be exempt from the requirements to become a motor vehicle dealer and to pay highway use taxes when transferring motor vehicles from the ownership of the Department of Defense to local law enforcement agencies. Currently, the highway use tax associated with these transactions is paid by the entity receiving the motor vehicle from LESS. **Overall, the changes proposed in this bill are technical changes that will not yield any loss of tax revenue or require any additional budget appropriations to support the program.**

LESS has been facilitating the purchase of new vehicles for law enforcement agencies under Title 10 USC, Section 381 since 1996. Last year, the Division of Motor Vehicles (DMV) determined that G.S. 20-287 precludes this activity and suggested a change to the statute to exempt LESS from the requirement of registering as a motor vehicle dealer. There is no cost that would be incurred or funds lost by adding the proposed language to G. S. 20-287.

LESS has been transferring excess Department of Defense vehicles to state and local law enforcement agencies since 1994 using a form developed by DMV. Last year the DMV determined that they had no formal basis to allow this transfer for LESS or the North Carolina Division of Forest Resources. The proposed new subsection under G.S. 105-187.6(a) will allow LESS to continue transferring excess vehicles to state and local law enforcement groups. This is a technical change and will be revenue neutral. An authorizing statute for Law Enforcement Support Services will establish formal authority for LESS to provide its services.

**SOURCES OF DATA:** Department of Crime Control and Public Safety

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** March 3, 2009



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