

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 201 (Fifth 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>
REVENUES:	The effects of this bill are anticipated to be revenue neutral				
EXPENDITURES:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Crime Control and Public Safety – Division of Law Enforcement Support Services; Department of Environmental and Natural Resources – Division of Forest Resources					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

This bill is intended 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.

Amends proposed G.S. 143B-508 to authorize the Law Enforcement Support Services Division to provide assistance as may be necessary or appropriate to carry out assigned duties and responsibilities.

Amends G.S. 20-73(b) to create an exemption from requirements to obtain a new certificate of title for the Department of Crime Control and Public Safety, Division of Law Enforcement Support Services, or the Department of Environment and Natural Resources, Division of Forest Resources, when receiving, titling, or transferring any vehicle acquired under 10 U.S.C. Section 381 or any similar acquisition and transfer program administered by the Division of Law Enforcement Support Services or the Division of Forest Resources.

Makes organizational changes to proposed G.S. 105-187.6(a)(10).

Amends G.S. 10-287 to exempt the Department of Environmental and Natural Resources, Division of Forest Resources, when receiving, titling, or transferring any vehicle acquired under provisions of Title 10, Section 285, of the US Code, or any similar acquisition and transfer program administered by the Division of Law Enforcement Support Services, from licensing requirements for any new or used motor vehicle dealer, motor vehicle sales representative, manufacturer, factory branch, factory representative, distributor, distributor branch, distributor representative, or wholesaler engaging in business in the state.

Clarifies in proposed G.S. 105-187.6(a)(10) that a “qualified recipient” includes a fire department (was, volunteer fire department).

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 and the Department of Environmental and Natural Resources (DENR), Division of Forest Resources, 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 or the Division of Forest Resources. **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 and the Division of Forest Resources have 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 and the Division of Forest Resources 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.

LESS has also 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.

SOURCES OF DATA: Department of Crime Control and Public Safety

TECHNICAL CONSIDERATIONS: None

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DATE: June 1, 2009



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