

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Fiscal Note

BILL NUMBER: House Bill 15 (First Edition)

SHORT TITLE: Public Authority/Permanent Plates.

SPONSOR(S): Representatives Davis, Iler, Shepard, and Torbett

| FISCAL IMPACT | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| (\$ in millions) | | | | | |
| <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No Estimate Available | | | | | |
| | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| State Impact | | | | | |
| Highway Fund Revenues: | | | | | |
| Highway Fund Expenditures: | | | | | |
| State Positions: | | | | | |
| NET STATE IMPACT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: | | | | | |
| Division of Motor Vehicles | | | | | |
| EFFECTIVE DATE: July 1, 2017 | | | | | |
| TECHNICAL CONSIDERATIONS: | | | | | |
| None | | | | | |

BILL SUMMARY:

Section 1 provides that public Water and Sewer Authorities are eligible recipients of permanent registration plates.

Section 2 makes this change effective July 1, 2017.

ASSUMPTIONS AND METHODOLOGY:

G.S. 162A-3 and G.S. 162A-3.1 require Water and Sewer Authorities to register with the Secretary of State (SOS). A query to the SOS revealed 34 Water and Sewer Authorities registered in North Carolina.

A query of the Division of Motor Vehicles State Titling and Registration System (STARS) yielded 687 eligible vehicles for permanent plates. However, the information provided by STARS is limited since the system does not account for variations in spellings or abbreviations. For example a query in STARS for “South Granville Water & Sewer Authority” returned 4 registered vehicles. In contrast, a query in STARS for “South Granville Water and Sewer Authority” returned 19 registered vehicles.

Given the limitation of STARS, potential for new vehicles to be added to existing fleets, and potential formation of new Water and Sewer Authorities, Fiscal Research cannot accurately project

the total potential revenue impact of Section 1. However, using the data yielded in the STARS query, revenue loss would be \$174,372 in the year of permanent registration and \$178,494 annually thereafter.

| Water and Sewer Authorities STARS Query | |
|--|-------------------|
| Current Revenue from Plate Fees | \$ 178,494 |
| \$6 x 687 | \$ (4,122) |
| Loss in Year of Implementation | \$ 174,372 |

The one-time fee for a permanent plate registration is \$6. In contrast, the minimum fee for a private passenger vehicle plate registration is \$36. Example fees for private weighted vehicle plate registrations are shown below:

| | |
|--|----------|
| Plate Fee, Private Truck Under 4,000 lbs | \$ 36.00 |
| Plate Fee, Private Truck Under 5,000 lbs | \$ 56.50 |
| Plate Fee, Private Truck Under 6,000 lbs | \$ 67.00 |

Depending on the type, purpose and weight of the vehicle, the minimum revenue loss per vehicle is \$30 in the year of permanent registration and \$36 annually thereafter. Revenue impacts are confined to the Highway Fund. Any impact to DMV operations, including registration materials and branch agent compensation, is assumed to be nominal.

SOURCES OF DATA: Division of Motor Vehicles, Secretary of State

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Susan Tyler

APPROVED BY:

Mark Trogon, Director
Fiscal Research Division

DATE: March 13, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices