

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 2010 (First Edition)

SHORT TITLE: Create Titling Categories-Replica/Street Rod.

SPONSOR(S): Senator East

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES					
Highway Fund	250,000	290,000	330,000	370,000	410,000
EXPENDITURES					
DMV	296,214	43,165	121,000	123,712	126,424
POSITIONS (cumulative):	1	1	2	2	2
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles					
EFFECTIVE DATE: July 1, 2008					

BILL SUMMARY:

- Senate Bill 2010 removes custom built vehicles from the definition of a reconstructed vehicle in GS 20-4.01(33)c. and adds new sub-subdivisions g. through k. defining the terms replica vehicle, street rod” vehicle, custom built vehicle, and inoperable vehicle.
- New GS 20-4.01(33)j. defines the term specially constructed vehicle to include replicas, street rods and custom built vehicles.
- New GS 20-53(e) requires applicants for a custom built, replica, or street rod title and registration to pay to The Division of Motor Vehicles a \$30 one-time fee in addition to otherwise applicable registration fees. The proceeds of the one-time fee are to be used by DMV to administer the Antique, Custom Built, Replica, and Street Rod motor vehicle examination programs.
- Amends GS 20-53 to require that every agent of the Division of Motor Vehicles, Bureau of License and Theft, attend an annual in-service training relating to inoperable vehicles.

ASSUMPTIONS AND METHODOLOGY:

The Division of Motor Vehicles estimates their expenditures and revenues from House Bill 2010 as follows:

DMV:	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Personnel: 1 IPT PG 63 2 IPT's PG 63	\$37,562	\$37,562	\$75,124	\$75,124	\$75,124
Non-Personnel: Titles	\$23.51	\$47.02	\$70.53	\$94.04	\$117.55
Postage	\$334.00	\$668.00	\$1,002.00	\$1,336.00	\$1,670.00
Envelopes	\$14.02	\$28.04	\$42.06	\$56.08	\$70.10
Compensation to LPA	\$2,430	\$4,860	\$7,200	\$9,540	\$11,880
Programming Cost	\$221,000				
ITS Charge:	\$34,850				
Total	\$296,213.53	\$43,165	\$121,000	\$123,712	\$126,424
# POSITIONS:	1	1	2	2	2
RECEIPTS/FEES	\$250,000	\$290,000	\$330,000	\$370,000	\$410,000

Personnel – For the first two fiscal years an additional Information Processing Tech (IPT) will be needed to process titles. Starting in FY 2010-11 and in subsequent fiscal years an additional IPT will be needed to handle the increased workload.

Non-Personnel – This category includes expenditures for titles, postage, envelopes and the compensation to LPAs needed to process the new title work. These figures assume 1000 additional titles in the first year increasing by 1000 additional titles in each subsequent fiscal year. Titles are currently purchased for \$23.51 per thousand, envelopes are purchased for \$14.02 per thousand, the postage rate used is 0.334 and compensation to LPAs is \$2.43 for each title processed.

Programming & ITS Costs – These expenditures represents the costs necessary to modify the State Titling and Registration System (STARS) to accommodate the new changes in title classifications.

Receipts/Fees - DMV estimates that there will be 7,000 vehicles that will be subject to the \$30 one time registration fee. This figure is based off of a 5 year average for vehicles registered as Custom Built or Antique. DMV also estimates there will be 1,000 vehicles in the first fiscal year that are subject to the \$40 title fee for inoperable vehicles and this will increase by 1000 in each subsequent fiscal year.

SOURCES OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS: None

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DATE: June 23, 2008



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