

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 539 (Second Edition)

SHORT TITLE: Greensboro Motor Vehicle Levy.

SPONSOR(S): Senator Dorsett

| FISCAL IMPACT (\$ Millions) | | | | | |
|--|--------------------------|--------------------------|----------------------------------|--------------------------|--------------------------|
| | Yes (X) | No () | 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 | | | | | |
| Local Government | \$1.2 | \$1.2 | \$1.2 | \$1.2 | \$1.2 |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: City of Greensboro | | | | | |
| EFFECTIVE DATE: Effective when bill becomes law | | | | | |

BILL SUMMARY:

Senate Bill 539 amends GS 20-97(b) to allow Greensboro to levy a tax of up to \$16 per year on any vehicle resident in the city. Provides that the proceeds of the tax up to \$5 may be used for any lawful purpose and the proceeds of the tax derived from any levy above \$5 and up to \$16 must be used for local public transportation purposes. Effective on the date that Greensboro levies a tax under the statute, repeals SL 1991-31 authorizing Greensboro to levy an annual \$5 additional motor vehicle tax for local public transportation purposes, in addition to up to \$5 per year for general purposes. It adds a savings clause to protect any rights or liabilities of the taxing authority, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal.

ASSUMPTIONS AND METHODOLOGY:

Senate Bill 539 increases the tax the City of Greensboro may levy on any vehicle resident from \$10 to \$16 per year. It provides that the proceeds of the tax up to \$5 may be used for any lawful purpose and that any proceeds of the tax above \$5 must be used for local transportation purposes. It includes a savings clause to protect any rights or liabilities arising before the repeal of the 1991

legislation imposing an additional maximum tax of \$5 to be allocated for local public transportation purposes.

In order to estimate the impact of Senate Bill 539, it is necessary to know the number of resident vehicles in the City of Greensboro. This is the number of vehicles on which a tax may be levied. According to the Department of Transportation Driver and Vehicle Services, there are currently 195,794 resident vehicles in Greensboro. Assuming that Greensboro chooses to levy the maximum vehicle tax, multiplying the number of vehicles by the \$6 increase in the tax results in a \$1.17 million increase in revenues for FY 2009-10. Assuming that the number of resident vehicles stays roughly the same over time, \$1.17 million will also be the increase in revenues for the following four fiscal years.

SOURCES OF DATA: NC Department of Transportation Driver and Vehicle Services

TECHNICAL CONSIDERATIONS: None

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