

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 443 (First Edition)

SHORT TITLE: Drivers License Fee/Donate Life NC.

SPONSOR(S): Senators Gunn and Brock

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Highway Fund Revenues:	(\$0.16)	(\$0.32)	(\$0.32)	(\$0.32)	(\$0.32)
Highway Fund Expenditures:	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00
LTGTF Revenues:*	\$0.16	\$0.32	\$0.32	\$0.32	\$0.32
LTGTF Expenditures:*	\$0.08	\$0.16	\$0.16	\$0.16	\$0.16
State Positions:					
NET STATE IMPACT	(\$0.10)	(\$0.16)	(\$0.16)	(\$0.16)	(\$0.16)
* License to Give Trust Fund					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Highway Fund; Department of Transportation					
EFFECTIVE DATE: January 1, 2016					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY:

Repeals Section 5(c) of S.L. 2004-189, which required the Division of Motor Vehicles (DMV) to retain a portion of the proceeds of the increase in driver's license and duplicate license fees to offset the cost of developing and maintaining the online Organ Donor Internet, with remaining proceeds credited to the License to Give Trust Fund.

Amends G.S. 20-7 to require DMV to credit 2.5% from each fee for the issuance and renewal of a driver's license to the License to Give Trust Fund.

Amends G.S. 20-7.4 to require that 50% of the funds credited to the License to Give Trust Fund be transferred quarterly to Donate Life North Carolina for costs associated with managing the online organ donation registry and promoting organ donation.

Effective January 1, 2016, and applies to driver's license issuances and renewals on or after that date

ASSUMPTIONS AND METHODOLOGY:

The proposed 2.5% allocation replaces the current \$0.05 credited to the License to Give Trust Fund from fees for each driver license issuance. Based on average historical payments during fiscal years 2012 to 2014, the net incremental remittance would have totaled \$324,056 annually. As this is based on average transaction, this amount of foregone revenue is assumed for future years.

In addition, the State Automated Driver License System (SADLS) must be modified to change the batch process which generates the accounting entries for the general ledger to instead calculate 2.5% of the total amount for each fee to be collected per G.S. 20-7(i). DOT estimates a one-time development cost of \$22,800 (252 labor hours) for these modifications, and \$1,750 for annual maintenance (25 hours).

This analysis also assumes that half of the additional funds credited to the License to Give Trust Fund will either be obligated or expended in total during the course of the fiscal year, as Section 3 directs that 50% of the funds are transferred to Donate Life North Carolina.

SOURCES OF DATA: Department of Transportation – Information Technology Section and Division of Motor Vehicles

TECHNICAL CONSIDERATIONS: None

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DATE: April 23, 2015



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