



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

## Legislative Fiscal Note

**Short Title:** Mini-Truck Classification.  
**Bill Number:** Senate Bill 432 (First Edition)  
**Sponsor(s):** Senator Ballard

### SUMMARY TABLE

	FISCAL IMPACT OF S.B.432, V.1				
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
<b>State Impact</b>					
Highway Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	<u>\$108,635</u>	<u>\$10,480</u>	<u>\$10,480</u>	<u>\$10,480</u>	<u>\$10,480</u>
<b>Highway Fund Impact</b>	<b>(\$108,635)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>
<b>NET STATE IMPACT</b>	<b>(\$108,635)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>	<b>(\$10,480)</b>

### FISCAL IMPACT SUMMARY

It is estimated that S.B. 432 will result one-time costs of \$108,635 in the first year and annual maintenance costs of \$10,480 beginning in year two. There is no estimate available of the revenue impact of classifying mini-trucks.

**Section 1** amends G.S. 20-4.01(27) by adding a new subdivision defining a mini-truck.

**Section 2** amends G.S. 20-87(12) to make the registration fee for mini-trucks the same as the fee for private passenger vehicles of not more than 15 passengers. The registration fee for any low-speed vehicle or mini-truck that is offered for rent shall be the same as the fee for a U-drive-it automobile.

**Section 3** amends G.S. 20-121.1 to authorize the operation of mini-trucks on streets and highways where the posted speed limit is 55 miles per hour or less. Additionally, mini-trucks shall be equipped with the same items required on low-speed vehicles. All equipment required on low-speed vehicles and mini-trucks shall be maintained in proper working order. Additionally, the Department of Transportation (DOT) may prohibit the operation of mini-trucks on any road or highway in the interest of safety.

**Section 4** makes this bill effective once it becomes law.

### FISCAL ANALYSIS

## **Sections 1-2**

DMV operates and maintains the State Titling and Registration System (STARS), a computer system that maintains vehicle data. This system will require technical modifications to comply with the creation of a new vehicle type. Approximately 500 mini-trucks are registered, but there is no standard registration type associated with mini-trucks. The estimated cost for these modifications is a one-time cost of \$104,800 in the first year, with annual maintenance costs of \$10,480 beginning in year two.

Additionally, this bill will require DMV to send correspondence to approximately 500 mini-truck owners who currently have a title and registration in North Carolina requesting to reclassify their vehicles correctly. DMV estimates that processing and mailing this correspondence will cost \$3,835 in the first year.

There is no estimate available of the revenue impact of classifying mini-trucks, because there is no estimate available of the number of mini-trucks owned in North Carolina. If there are only 500 mini-trucks in North Carolina, and all are registered as private passenger vehicles, there would be no change to the revenue generated from registration fees.

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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Division of Motor Vehicles

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

## **CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

## **ESTIMATE PREPARED BY**

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Mary Greeson

## **ESTIMATE APPROVED BY**

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Mark Trogdon, Director of Fiscal Research  
Fiscal Research Division  
April 15, 2019



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