

FISCAL RESEARCH DIVISION

06-Jul-1992 Mon 14:49

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: Senate Bill 369 Committee Substitute
SHORT TITLE: Permanent Plates on Trailers
SPONSOR(S): Senators Plyler; and Goldston

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House
Chief Sponsor, Senate
Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.

President Pro Tempore, Henson Barnes

Chairman of the House Base Budget Appropriations Committee

Representative David Diamont

Chairman of the House Expansion Budget Appropriations Committee

Representative Martin Nesbitt

Chairman of the Senate Appropriations Committee

Senator Marc Basnight

Chairman of the Senate Ways and Means Committee

Senator Kenneth C. Royall, Jr.

Chairman of the Senate Base Budget Committee

Senator Aaron W. Plyler

House Principal Clerks Office
Senate Principal Clerks Office

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: Senate Bill 369 Committee Substitute
SHORT TITLE: Permanent Plates on Trailers
SPONSOR(S): Senators Plyler; and Goldston
FISCAL IMPACT: **Expenditures:** Increase () Decrease ()
Revenues: Increase (X) Decrease (X)
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: General Fund () Highway Fund (X) Local Govt. ()
 Other Funds ()

BILL SUMMARY: The bill authorizes the Division of Motor Vehicles to issue permanent registration plates for commercial trailers and semi-trailers upon application of the vehicle owner. Currently, the annual registration fee for these trailers is \$10. The fee for a permanent commercial trailer plate would be \$75. Permanent plates would not be transferable.

EFFECTIVE DATE: January 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Division of Motor Vehicles

FISCAL IMPACT			
<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
<u>FY97</u>			

REVENUES:

GENERAL FUND					
HIGHWAY FUND	\$2,105,000	(\$310,000)	(\$310,000)	(\$310,000)	(\$310,000)
HIGHWAY TRUST FUND	(see explanation)				
LOCAL					

EXPENDITURES

POSITIONS:

Currently there are 310,000 commercial trailers registered in NC. If 10% apply for a permanent plate in January 1993, there would be a one-time gain to the Highway Fund in next year's budget of \$2.1 million. Each year thereafter for the life of the trailer, there would be an annual \$310,000 loss to the Highway Fund from a loss of the \$10 annual fee. Long-term revenue neutrality depends upon the average life of a commercial trailer. If seven years, the long-term revenue effect is neutral. If ten years or longer, the Highway Fund would lose \$775,000. The trucking industry claims the availability of a permanent plate will be an incentive for more companies to base their trailers in North

ASSUMPTIONS AND METHODOLOGY:

Carolina. That result may occur, but the revenue impact is not quantifiable and has not been factored into this estimate.

SOURCES OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

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APPROVED BY: TOMC

DATE: June 23, 1992



Signed Copy Located in the NCGA Principal Clerk's Offices