

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 770

SHORT TITLE: Purple Heart Plates - Free

SPONSOR(S): Representatives C. Robert Brawley, James F. Bowman, David T. Flaherty, Jr., Billy W. Joye, Jr., William F. Mitchell, Richard T. Morgan, John M. Nichols, Charles R. Preston, Jean R. Preston, George S. Robinson

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease (X)
No Impact ()
No Estimate Available ()

FUND AFFECTED: General Fund () Highway Fund (X) Local Fund ()
Other Fund (X) Special Registration Plate Account

BILL SUMMARY: This bill provides that the Division of Motor Vehicles shall provide one Purple Heart recipient plate free of charge to a qualified applicant.

EFFECTIVE DATE: October 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

FISCAL IMPACT

FY 93-94 FY 94-95 FY 95-96 FY 96-97 FY 97-98

EXPENDITURES

RECURRING

NON-RECURRING

REVENUES/RECEIPTS

RECURRING

Highway Fund (50,720) (56,720) (62,720) (68,720) (74,720)
SRPA (25,360) (28,360) (31,360) (34,360) (37,360)

NON-RECURRING

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

The number of Purple Heart active plates on the road was obtained from the Vehicle Registration section of the Division of Motor Vehicles. As of April 28, 1993, this number is 2,536. Because issuing this plate free of charge to Purple Heart recipients would eliminate the \$20 registration fee plus the additional \$10 fee, the number of active plates on the road (2,536) was multiplied by \$30. Pursuant to G.S. 20-79.7, however, \$20 would go to the Highway Fund and \$10 would go to the Special Registration Plates

Account. Thus, the resulting decrease in revenue was divided accordingly into the Highway Fund and the SRPA.

Because these plates must be renewed annually, there will be future losses to both the Highway Fund and the Special Registration Plate Account. To calculate this loss, the number of new Purple Heart plates issued in 1992 was obtained from the Vehicle Registration section of the Division of Motor Vehicles. This number is 443. A representative from DMV projected that in the future, this number would be between 300 and 400 per year. Therefore, an increase of 300 plates per year was used to calculate the loss of revenue in future years. An increase of 300 was added to the base number of 2,536 for the 1994-95 figure, and an increase of 300 was added to the base number of 2,836 for the 1995-96 figure, and so on.

SOURCES OF DATA: Department of Transportation - Division of Motor Vehicles

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: April 28, 1993



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