

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1113

SHORT TITLE: Repeal Safety Inspection

SPONSOR(S): Representative James C. Carpenter

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

FUND AFFECTED: General Fund () Highway Fund (X) Local Govt. ()
 Other Funds (X)
 Volunteer Rescue/EMS Fund
 Rescue Squad Workers' Relief Fund

BILL SUMMARY: This act repeals the motor vehicle safety inspection program.

EFFECTIVE DATE: Effective upon ratification

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

FY96-97 FY97-98 FY98-99 FY99-00 FY00-01

REVENUES

Highway Fund (\$ 3,386,749) (\$3,454,484) (\$ 3,523,574) (\$ 3,594,046) (\$ 3,665,926)

Volunteer Rescue/EMS Fund (\$677,350) (\$690,897) (\$704,715) (\$718,809)
(\$733,185)

Rescue Squad Workers' Relief Fund (\$451,567) (\$460,598) (\$469,810) (\$479,206)
(\$488,790)

EXPENDITURES

HIGHWAY FUND (\$1,705,260) (\$1,762,999) (\$1,822,838) (\$1,884,856)
\$1,949,138)

POSITIONS:

HIGHWAY FUND 30 (FTE) in the Division of Motor Vehicles

ASSUMPTIONS AND METHODOLOGY:

Revenues: The Highway Fund received \$3,255,238 from the sale of 4,340,317 inspection stickers in FY1994-95. According to DMV, the State receives revenue from the stickers when they are sold to the service stations, not when the inspections are held. For the past three years, revenues have grown 2.1% per year. The State budget projected 1.7% growth in inspections in 1995 and 1996. For this fiscal note, it is assumed that inspection sticker sales will increase 2% per year.

The safety inspection fee is apportioned as follows:

Inspection station	=	\$8.25
Highway Fund	=	\$.75
Volunteer Rescue/EMS Fund	=	\$.15
Rescue Squad Workers' Relief Fund	=	\$.10

Expenditures

The Department of Transportation estimates its Safety Inspection Program costs \$1,705,260 to administer. This includes \$278,465 for supplies (inspection stickers, forms, receipts books), \$1,181,678 for personnel (30 FTE) and \$245,117 for transportation, postage and other expenses.

Personnel Cost is based on the following:

Inspectors = DMV Enforcement has 88 inspectors that spend two hours a day on inspection duties. Eliminating safety inspections reduces the inspectors' workload by 25% and thus enables DMV to abolish 22 inspector positions or 25% of the inspector personnel. At \$43,455 for salary and benefits per inspector times 22 positions yields a savings of \$956,010.

Clerical - This bill allows DMV to abolish six clerical positions at the Raleigh headquarters office that do only safety inspection work. This would save \$161,268. Also, two of the eight District clerical positions could be abolished. Each of the eight positions spend one fourth of their time on safety inspections. Two times the \$32,200 salary and fringe for these positions is \$64,400.

The personnel costs in the years 1997 through 2001 are adjusted 4% each year. This assumption for wage and salary growth is based on the estimates used in the General Assembly's General Fund Financial Model.

Supplies, other - All other costs are allowed to increase to 2% per year in relation to the growth of stickers sold.

and Management

TECHNICAL CONSIDERATIONS: Page 5 lines 26 & 27 appear to eliminate the \$10 fee for service stations to do window tinting inspections. This is not part of the Safety Inspection program.

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 22, 1996



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