

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 426 (Fourth Edition)

**SHORT TITLE:** Magistrates Special License Plates

**SPONSOR(S):** Senator Hoyle

	<b>FISCAL IMPACT</b>				
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1997-98</u></b>	<b><u>FY 1998-99</u></b>	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>
<b>REVENUES</b>					
Highway Fund - Special Registration Plate Acct.					
(1) Commercial	\$61,690	\$129,300	\$135,510	\$142,010	\$148,830
(2) Magistrate	<u>\$6,870</u>	<u>\$6,870</u>	<u>\$6,870</u>	<u>\$6,870</u>	<u>\$6,870</u>
	\$68,560	\$136,170	\$142,380	\$148,880	\$155,700
<b>EXPENDITURES</b>					
Highway Fund - Special Registration Plate Acct.					
(1) Commercial	\$19,914	\$16,564	\$1,521	\$1,594	\$1,670
(2) Magistrate	<u>\$1,783</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	\$21,697	\$16,564	\$1,521	\$1,594	\$1,670
Highway Fund	(\$7,526)	(\$15,774)	(\$16,532)	(\$17,325)	(\$18,157)
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Transportation - Division of Motor Vehicles					
<b>EFFECTIVE DATE:</b> Sections 1 and 2 of the act dealing with personalized plates for commercial vehicles is effective January 1, 1998. Section 3 dealing with Magistrate plates and section 4 dealing with Sheriff plates are effective when the act becomes law.					

**BILL SUMMARY:** Sections 1 and 2 of the bill permit vehicles weighing 6,000 pounds or more to have a special plate, but excludes trucks registered under the International Registration Plan (IRP). Section 3 of the bill authorizes the Division of Motor Vehicles to issue special registration plates to current North Carolina magistrates. Section 4 changes the effective date for HB 704, Sheriff Registration Plates, from December 1, 1997 to June 6, 1997.

**ASSUMPTIONS AND METHODOLOGY:**

Commercial

In 1996, DMV reported 294,315 commercial trucks weighing 6,000 pounds or more that were not subject to the International Registration Plan (IRP). Based on data from 1994 through 1996, the number of non-IRP commercial trucks grew by 4.8% per year. If these truck owners choose special plates at the same rate as passenger vehicle owners, then 4%

of the estimated 308,442 trucks in FY 1997-98 or 12,338 persons will request special plates.

	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>
Non IRP Commercial trucks	308,442	323,247	338,763	355,024	372,065
4% choose personal plates	12,338	12,930	13,551	14,201	14,883
\$10 per plate revenue	\$ 123,380	\$ 129,300	\$ 135,510	\$ 142,010	\$ 148,830

Assuming truck owners will buy personalized plates upon renewal of their tag, the January 1 effective date will reduce the number of special plate requests in half for FY 1997-98 to 6,169. At \$10 a plate this will generate \$61,690 for the Special Registration Plate Account in FY 1997-98. The \$10 plate fee is in addition to the \$20 registration fee that is deposited into the Highway Fund.

There are one-time costs for production of the plate (\$2.45 per plate) and for computer programming (\$4,800). These expenses are paid from the Special Registration Plate Account.

	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>
Number of new plates	6,169	6,761	621	650	682
Expense - \$2.45/plate	\$15,114	\$16,564	\$1,521	\$1,594	\$1,670
Computer Programming	\$4,800				

The cost of producing special commercial plate will be shifted from the Highway Fund to the Special Registration Plate Account. Since commercial plates are replaced every year and special plates are not, there is an annual savings to the Highway Fund for plate production (\$1.22 per plate).

	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>
Number of new plates	6,169	12,930	13,551	14,201	14,883
Expense - \$1.22/plate	\$7,526	\$15,774	\$16,532	\$17,325	\$18,157

Magistrates

There are 687 magistrates in the state. This fiscal note assumes the issuance of 687 license plates in FY 1997-98 and renewal of those plates in the following years. There is a one-time cost of \$100 to design the new plate and a one-time production cost of \$2.45 per plate. For 687 plates, the total production cost is \$1,783. In addition to the normal \$20 registration fee, there is a \$10 annual fee for each magistrate plate that will be deposited into the Special Registration Plate Account within the Highway Fund.

**FISCAL RESEARCH DIVISION**

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**DATE:** July 10, 1997



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