

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1077 (First Edition)

SHORT TITLE: Motorcycle Learner's Permit.

SPONSOR(S): Senator Rand

| FISCAL IMPACT  |                   |                   |                           |                   |                   |
|--|-------------------|-------------------|---------------------------|-------------------|-------------------|
|  | Yes (X)           | No ( )            | No Estimate Available ( ) |                   |                   |
|  | <u>FY 2005-06</u> | <u>FY 2006-07</u> | <u>FY 2007-08</u>         | <u>FY 2008-09</u> | <u>FY 2009-10</u> |
| <b>REVENUES</b>  | \$1,103,670       | \$1,545,138       | \$1,622,395               | \$1,703,515       | \$1,788,690       |
| <b>EXPENDITURES</b>  |                   |                   |                           |                   |                   |
| IT Expenses  | \$12,552          |                   |                           |                   |                   |
| <b>POSITIONS (cumulative):</b>   |                   |                   |                           |                   |                   |
| <b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Division of Motor Vehicles |                   |                   |                           |                   |                   |
| <b>EFFECTIVE DATE:</b> October 1, 2005   |                   |                   |                           |                   |                   |

**BILL SUMMARY:** Amends GS 20-7(a2) to shorten duration of motorcycle learner’s permit to six months (was 18 months). Permits can be renewed for one additional six-month period. Sets fee for permit at \$50. Effective October 1, 2005

*Source: Bill Digest S.B. 1077 (03/24/0200).*

**ASSUMPTIONS AND METHODOLOGY:** DMV estimates the current number of motorcycle permits at 24,526 per year and notes that growth has been approximately 7 percent per year. It is assumed here that growth over the next five years will moderate to 5 percent per year. DMV assumes that one half of the original permits will be renewed, for a total of 36,789 transactions per year. Each of these transactions will yield \$50, a \$40 increase over current fees. Increased revenues in FY2005-06 will total 36,789 transactions times \$40 times .75 (to allow for the October 1 effective date), or \$1,103,670. DMV notes that the State Automated Driver License System will require a low level of modifications to implement this bill, including changes to the business rules concerning motorcycle drivers, changes to the fee table rules, and changes to the driver customer merge process. The IT modifications will require 141 hours at \$80 per hour, or \$11,280, plus overhead of \$1,272 for a total of \$12,552. These charges will be incurred in the first year.

**SOURCES OF DATA:** Division of Motor Vehicles

**TECHNICAL CONSIDERATIONS:** None

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Fiscal Research Division



**DATE:** June 6, 2005

**Signed Copy Located in the NCGA Principal Clerk's Offices**