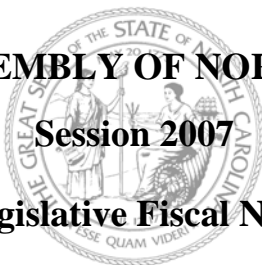


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1606 (First Edition)

SHORT TITLE: Driver License Changes/Older Driver

SPONSOR(S): Representative Killian

<b>FISCAL IMPACT</b>					
	<b>Yes (x)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>
<b>REVENUES</b>	<b>\$1,907,085</b>	<b>\$3,971,709</b>	<b>\$4,064,157</b>	<b>\$4,120,743</b>	<b>\$3,094,728</b>
***These amounts are partial revenues to be generated in the first five year period based extending the 8-year license to driver license applicants to the age group of drivers 54 to 65 years old. Also, there will be less revenues generated by changing the issuance period for the other categories (75-84 and 85 years old and older); however, no estimate is represented in the above revenues. License fees are only based on the number of years of its issuance and revenues will equalize after several years of cycling through all driver license applicants; therefore, the net impact is no additional new revenues.					
<b>EXPENDITURES</b>	<b>\$1,031,706</b>	<b>\$1,882,275</b>	<b>\$1,795,058</b>	<b>\$1,848,909</b>	<b>\$1,904,377</b>
<b>POSITIONS (FTE's):</b>	<b>22.5</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Transportation, Division of Motor Vehicles					
<b>EFFECTIVE DATE:</b> January 1, 2008					

**BILL SUMMARY:**

Amends GS 20-7 to allow drivers over age 54 and less than age 65 to receive an eight year driver license and for drivers over 75 years and under 85 years would only receive a two years driver license and drivers 85 years and older would only receive a one year license. In addition, a road test will be required for all drivers who are at least 75 years old.

## ASSUMPTIONS AND METHODOLOGY:

- This estimate assumes the current average time to serve customers will be the same with the influx of additional applicants; it takes approximately eight minutes for a driver license renewal and fifteen minutes to administer road tests.
- It is assumed that since the drivers within the ages of 54 and 65 would come into the office less frequently, there will be no additional costs to provide this service. Since the renewal is extended to eight years there will be no cost impact in the next five years; however the impact is realized when the drivers don't have to make the 5th year visit but will now renew their license on the 8<sup>th</sup> year. Due to increase of drivers it is anticipated there will be no additional savings or need for less personnel as a result of extending the license to 8 years.
- It is estimated that there are currently 297,014 drivers between the ages of 75 and 84 and approximately 59,402 customers make annual office visits for driver license renewals. This number will increase by 2.5% annually, since the drivers will present to a DMV office approximately two and one-half times more often than currently within a five year period. The total annual visits by this age group will become 148,407 drivers. Of those, 59,402 are already served by existing examiners annually; therefore, there is estimated to be an additional 89,105 customers annually among this age group. The additional hours necessary to serve the additional driver license applicants are 11,880 hours. There are 1600 expected examiner hours per full-time-equivalent (FTE) Driver License Examiner. The additional staff needed to serve those individuals between the ages of 75 and 84 are 7.43 FTE's.
- It is estimated that there are currently 67,947 drivers who are 85 years old and older. Of those, 13,589 customers make office visits each year and are already served through existing staff. There will be an additional 54,356 office visits within this age group. To continue to serve these individuals at the average of 8 minutes would result in an additional 7,247 hours of service. This would create a need for an additional 4.53 FTE Driver License Examiners.
- It is estimated that to administer the road tests to all driver license applicants at least 75 years old will require fifteen minutes per road test administered. It will result in an additional 48,702 Driver License Examiner hours; this would require an additional 30 FTE positions.
- All positions would be funded at a pay grade 65 at a total cost of \$38,156 including benefits.
- It is assumed only ½ of the positions will be filled in FY2007-2008.
- It is assumed an increase of 3% on the positions for each year of the fiscal estimates.
- It is estimated that there will be one-time expenditures in the purchase of equipment needed for the examiners. This includes a computer, desk and chairs, vision tester, and uniforms. A total of \$6,200 per examiner is estimated for each position.
- There are additional one-time costs for the reprogramming of the State Automated Driver License System and other information technology changes to provide more frequent testing and shorter renewal periods for older drivers. DMV estimates the cost for these technology upgrades to be \$33,696.

**SOURCES OF DATA:**

North Carolina Department of Transportation, Division of Motor Vehicles  
Some assumptions were based on information provided by Division of Motor Vehicles.

**TECHNICAL CONSIDERATIONS:** None

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**APPROVED BY:** Lynn Muchmore, Director  
Fiscal Research Division

**DATE:** April 26, 2007



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