

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 502 (2<sup>nd</sup> Edition)  
**SHORT TITLE:** Amend Motor Vehicle Definition  
**SPONSOR(S):** Committee Substitute

**FISCAL IMPACT**

**Yes (X)      No ( )      No Estimate Available ( )**

**FY 1997-98   FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02**

**REVENUES**

Highway Fund

Increase of \$12,000-\$15,000 annually

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** Division of Motor Vehicles, Enforcement Section

**EFFECTIVE DATE:** Upon becoming law.

**BILL SUMMARY:** The proposed act amends GS 20-286(10) to broaden definition of “motor vehicle” to include personal watercraft (as defined in GS 75A-13.2) and all-terrain vehicles. The change would require businesses selling personal watercraft and all-terrain vehicles to be regulated under the motor vehicle dealer laws.<sup>1</sup>

**ASSUMPTIONS AND METHODOLOGY:** The North Carolina Business Directory lists 500 businesses that appear to be involved in the sale of personal watercraft or all terrain vehicles. Some of these businesses are already covered by the motor vehicle dealer laws because they sell automobiles, motorcycles, or trailers. The DMV Enforcement Section, which regulates motor vehicle dealerships, estimates that 150 additional businesses will be covered by the motor vehicle laws under the proposed act. DMV Enforcement indicates that it will require no new resources to regulate this additional number of dealerships.

Each new dealership covered by the motor vehicle dealer laws will be required to pay the following annual fees:

- \$50 dealer license fee
- \$20 fee per dealer plate (at least one required)
- \$10 fee per sales agent (at least one required)

<sup>1</sup> Based on the Institute of Government Bill Summary.

Based upon these fees, it is assumed that each new dealership would pay an average of \$80 to \$100 in annual fees to the Highway Fund.

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** June 12, 1997



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